Daily Report

Latin America

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FBIS-LAT-95-209 *30 October 1995*

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First Ladies Conference Declaration Highlighted

PY2810020495 Asuncion ULTIMA HORA in Spanish 20 Oct 95 pp 2, 3

[FBIS Translated Text] All in all, the Fifth Conference of the First Ladies of the Americas, which was brought to a close in Asuncion on 19 October — one day ahead of schedule — was a great success. A clear commitment to working in favor of the most destitute sectors of society transpires from the summit's final declaration.

This commitment to working in favor of women's and children's education and health care — based on the principles of integral development, equity, democratization of information and knowledge, and family and social participation — was clearly shown in the Paraguay Declaration of the Fifth Conference of the First Ladies of the Americas. The outcome of the summit meeting that closed yesterday was positive because of its organization and the discussion of the subjects broached.

The first ladies decided to join forces to "improve women's and children's health conditions in all the stages of their life cycle, favoring the universalization and quality of health care systems, thus contributing to the reduction of maternal mortality and morbidity rates."

The document — signed by the 26 first ladies and special envoys participating in the conference — underscores that endeavors will be made to encourage and support the implementation — according to each country's national interests — of agreements and recommendations stemming from the World Infancy Summit, the UN Conference on Population and Development, the Summit of the Americas, the UN World Summit on Social Development, and the Fourth UN World Conference on Women. Other points agreed upon at the meeting include the goal to eradicate measles by the year 2000, and the promotion of strategies to enhance women's and children's health and education, particularly in rural and urban-marginal areas.

The first ladies also agreed to "promote the access of women and children to formal and informal education programs so as to ensure the principle of equal opportunity, their full participation in society, and their active contribution to their countries' development."

The final declaration also manifests the first ladies' interest in engaging in a hemispheric dialogue to exchange information about education reforms that increase coverage, reduce drop out rates, improve elementary and high school education, and increase coverage of informal infant development programs.

Finally, the first ladies deemed that it was central to champion the elimination of all forms of spouse and child abuse through the regulation and adoption of necessary mechanisms.

Health Care

Women's Health Care

— To endorse the resolution passed at the Pan-American Health Organization's [PAHO] 23rd Pan-American Health Conference, which calls upon governments to formulate "a policy on women's integral health care to prevent morbidity and reduce maternal mortality rates by at least 50 percent by the year 2000."

— To promote the disaggregation of data on morbidity and mortality by sex.

— To establish mechanisms in those countries that have adhered to the UNFA [UN Fund for Population Activities] for a more efficient implementation.

— To support the ALICC [expansion unknown] proposal to continue with and expand the Latin American Program against Cancer.

Children's Health Care

— To promote and follow up on strides made to achieve the objectives put forth by the Infancy Summit by the year 2000.

— To work in cooperation with health ministries and the PAHO in the campaign to eradicate measles by the year 2000.

— To request that the PAHO amplify the program on substance abuse by street children in the Americas.

Abuse

— To promote the ratification of, adhesion to, and enforcement of the Inter-American Convention for the Prevention, Sanctioning, and Eradication of Spouse Abuse adopted in Belem do Para [Brazil] on 9 June 1994.

— To promote the support by the countries of the region of the joint initiative by the Inter-American Development Bank [IDB] and PAHO to set in motion the Regional Program on Spouse Abuse: "Establishment of Community Intervention Networks."

— To urge the media to support education and awareness campaigns to prevent and combat abuse.

Education

Women's Education

— To promote the necessary mechanisms for the involvement of women in the design, implementation,

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and assessment of schemes advocating women's social equality.

— To request that the IDB consider the continuation and expansion of the following projects: Women Producers of Food in Latin America and the Caribbean, jointly undertaken with IICA [Inter-American Institute for Agricultural and Livestock Cooperation], and Promotion of Women's Participation in Development on the basis of its experience.

— To request that the IDB study the possibility of creating a fund for financing specific projects to improve living conditions of women living in rural areas.

Children's Education

— To encourage teaching practices that stimulate children's active participation by increasing and enhancing the availability and use of textbooks and through the efficient use of school hours.

— To support family- and community-based child development programs and the enhancement of parents' standard of education.

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Cuba

Texts of Fidel Castro's Speeches in New York

Address at Harlem Solidarity Event

PA2710122695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Oct 95

[Speech by President Fidel Castro at the Protestant Church in Harlem, New York — live relay]

[FBIS Translated Text] Dear, or better yet, very dear friends; some of the speakers who preceded me [passage indistinct] some of them were wondering why was it that I was being welcomed in this church, and he told us very interesting anecdotes of the time they took me to another church. I should speak about that too tonight. But it happens that not only some of you where asking why I was being welcomed here; I was also wondering why I was being welcomed here. While I was getting dressed to come here tonight, I took off the business suit and put on these clothes that I have been wearing for many years. I have been wearing these clothes, and international diplomacy forced me, not very long ago, to wear a guayabera shirt [passage indistinct] it was so big, it was so big that, as a joke, I said to my friend: Look, I mentioned a person [passage indistinct] but somebody was able to meet with me later, and he was not a bad person. He was the president of a Latin American country. I went to the tailor: Listen, you have tailored that guayabera shirt to that man and not to me. It was bought like this, but I had to wear it nonetheless.

I later told a friend, to a family that happens to have a daughter who is a designer in Holland — she had studied in Europe and that family had had relations with Cuba for a long time — I told them that I had found out that I did not have any civilian clothes. So, they offered me her services, that family, and then she designed some suits for me. Well, actually, she made three or four suits for me, but I assured you that I did not know anything about suits. I knew nothing of the clothes, the shirts, the tie, the cuff links. I did not know anything. And I was wearing very pointed shoes; my feet were not used to that. I had my old boots and my torn and old socks, not because I was poor, but because I was in the habit of wearing my old boots. I was so attached to my boots, I did not want to leave them. Then, I finally ended up dressed in a guayabera shirt and a business suit with a tie, a shirt, cuff links, shoes. I am not wearing them now because [passage indistinct] boots. And now, I am a gentleman.

At summit meetings — and there seems to be a summit every so often — I have to dress up like a gentleman in a business suit. There was a summit on social development, a summit in Paris. In every place, I get off the plane wearing these, and then I change for the visits, the protocol acts, the museums. Well, I do not know if it is because I am becoming more civilized. I did not want to give the impression that I was a big lord or something like that. I did not study that career. I had no choice but having to fight, to learn. We waged certain wars, and the interesting thing is that we won them. Our fights were very difficult, but I will not recall that story. There was a time in which we were only a few. Sometimes, there were less than 10 of us; sometimes, we were 12. However, though our adversaries were many, in 25 months, our revolution succeeded. We won in open battle; we won in the guerrilla warfare. Through the combination of irregular wars, we learned the trade of guerrilla warfare. We liked those clothes we wore at that time, and we continue wearing those clothes. I felt so comfortable in those clothes, I kept wearing them all these years.

Anyway, I was telling you the story that I went to the hotel, not to the hotel, excuse me, to the Cuban legation to wear these clothes, because I was wearing a business suit. I said to myself: if the last time I went to Harlem I was wearing my old clothes, how come am I going to go to Harlem dressed in a business suit? I was thinking about that, but suddenly I thought about what I had said before. What am I going to do in Harlem? What am I going to do once I am there tonight? What will I do? What will I say? I can say a few things to the United Nations; however, here we do not have parliamentarian immunity to go into certain subjects. There I have to be careful; I have to be cautious, so that no one will believe that I am interfering in this country's internal affairs [applause and laughter throughout].

I swear I am not going to get mixed up in anything that is not public [passage indinstinct] I said: What shall I say to them? What should I speak about? Then I remembered I had things to tell you, to talk to you about, without breaking any law, without being taken to court, although I hope that if this were to happen you will visit me. I was really recalling those days with so much gratitude that I told myself I had to come here, I had to come to greet my brothers of Harlem, and the brothers of Latin America, of Puerto Rico, of Harlem. Some of you have spoken about events and harassment. Yesterday, I think yesterday there was a dinner.

I believe the mayor said I am a demon and that demons cannot be invited to dinner, so I said to myself: I am going to go hungry on my first day in New York. Later I was told there would be a concert, that the United Nations was being invited, but that the orchestra belonged to the Mayor's Office, and that the Office of the Mayor, the mayor, rather, had said no way

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this orchestra could play for the demon. This is really incredible!

But there is this friendly and rich family and a group of businessmen who invited me for dinner. They invited the demon for dinner. This is paradoxical, and we should be happy about this because there are many people who realize that the blockade is absurd and crazy.

Many businessmen are opposed to the blockade and struggle against the blockade. I am not here because they did not invite me to dinner yesterday, nor I am here because I was not invited to dinner tonight. There is a dinner tonight and I have been excluded, but not for being a demon. I have not been treated as a demon this time. I don't know [passage indistinct] but had I been invited to the Mayor's Office, I would have had to attend out of courtesy. Had I been invited to the concert, I would have had to go out of elemental courtesy and out of elemental patience, not because the concert is boring, but because being surrounded by chiefs of state all the time sometimes is unbearable.

I can assure you that I would have attended invitations from businessmen and still I would have never had missed this meeting with you. The first thing I did when the program was prepared was to state my interest in meeting with you, to visit the Teresa Hotel and to meet here with you in Harlem.

No one will be able to say that I invented a meeting this evening. Others invented dinners, and they excluded me and this gave me more time to fulfill my wishes.

But that occasion many years ago, those were unforgettable days for me when I came to the Teresa Hotel. There was such hostility, such a campaign, that on one occasion when I was going through an area some people went like this. I did not know what that meant, but I could imagine something was wrong. But everything changed when I arrived in Harlem.

There are a few changes now, except for some fellow Cuban citizens who have not moved to the national sovereignty cause yet, a few, there are less now acting this way. These Cubans spent money and sought resources and a journalist told me this evening: Do you know there have been 58 protests against you. I told her: I am a lucky man, I have not seen any. I don't know where she got this data.

This time I have seen thousands saying hello, people waving at me. I have seen changes from those days of the Cold War, with the newborn revolution, in 1960. They made life miserable for me at the hotel where I was staying. At that time I had a guerrilla mentality, so I thought: I am moving to the UN patio and set my campaign tent there and it was then that the Teresa Hotel idea came. This turned out to have a very strategic value. I knew I would win the heart of this community.

My destination was obvious to me. As a revolutionary I knew that I would be welcomed in this neighborhood. I remember what Lincoln said: You can deceive all the people part of the time; part of the people all the time; but not all the people all the time. You are the people who were never deceived. [applause, laughter, and shouts throughout]

Rosemary [not further identified] here can attest to all the personalities and international leaders who came in solidarity to visit me here at the Teresa Hotel. Even Kruschev came. Yes, he was one of the first leaders to visit me, and he was the leader of a superpower. I thank him and acknowledge him for that gesture. Kruschev was a man of peasant stock, very shrewd and very charming. He came up the stairs.

By the way, he did not break up that which was once known as the Soviet Union. He arrived by the Teresa Hotel stairs, the elevators, and he was delighted. Afterwards several other leaders also came to visit me. Nehru, one of the great historical leaders and politicians, Nasser, Nkrumah, one of the most distinguished leaders. Many leaders came here to the Teresa Hotel and rejected that base hostility maneuver against our country which did not pay off. On the other hand it offered me an unforgettable memory, a reason to feel eternal gratitude toward the American people because I could see in you the best representation of the best virtues of the American people.

A story was created. Do you know how long ago that was? It was 35 years ago. This is the 35th anniversary of my visit. The incredible thing is that I am still expelled from the dinners, receptions, and things as if nothing had changed. [applause] Just as if we were in the middle of the Cold War! It is cold inside here [chuckles], but there is human warmth. It seems like the church does not have sufficient funds to afford heating. It is incredible that history is repeated.

I would have to ask myself a question: Why have you received our delegation with so much respect? This has an answer: It is because others have not changed their position, and we have not changed ours either. Others might change because reason is not on their side, but we will not change because we have reason on our side. The best evidence is your presence here and the warmth and the love with which you have received us here today.

I think our people have performed their moral duties, have fulfilled their principles with solidarity.

Rosemary was talking about some international solidarity efforts. More than 15,000 Cuban doctors have served

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international missions in other countries. Millions have been taken care of by our doctors, in Africa, mostly, in Latin America, and in other parts of the world. Hundreds of thousands of lives have been saved by our doctors' work, thousands of professors and teachers and technicians have helped other countries.

Cuba was left with 3,000 doctors, of the 6,000 it had. They took away 3,000 who were enticed by better salaries. But now we have almost 60,000.

If the North Americans were ever to need doctors, although I know they have many, and very good, but if some day, somewhere, you were to need doctors, our doctors would gladly come here to work at your side. [applause] [crowd shouts: viva revolutionary Cuba]

To mention another case of solidarity: The Nicaraguans once needed doctors. From other places they did not get doctors. They were sent cannons, machine guns, helicopters, bombers, and ammunition, and while others were sending men who brought tragedy and death, 2,000 Cuban teachers, mostly women went to Nicaraguan to teach, and not in Managua or in other cities, they went to the mountains, to the jungles, to the remote areas. When we asked for volunteers for that mission, 30,000 teachers volunteered.

You can see Brother Dodd what kind of feeling of solidarity our people have. This has been growing in our people.

When some counterrevolutionaries murdered some teachers, 100,000 Cuban teachers volunteered to take their places. [applause]

These are the moral values that have been created with the changes. I am going to mention another example: When there was a big earthquake in Peru that killed 100,000, or 70,000, we asked the Cuban people for blood donations and in 10 days we received 100,000 donations. [applause]

When there was an earthquake in Armenia, we gave 50,000 blood donations. When there was a quake in Iran and thousands died, we offered thousands of blood donations. Whenever there has been a tragedy, a hurricane, a tremor, our doctors, our technicians, have been willing to help regardless of ideology or diplomatic relations or no diplomatic relations. With awareness we did it.

This is the country enduring a blockade. This is the country being accused of violating human rights. The country that has raised life expectancy to almost 76 years. The country that reduced infant mortality rate from 60 for every 1000 live births to 10 for every 1000, thus saving the lives of hundreds of thousands of children. It has prolonged the life of so many people, has relieved many people of pain, eliminated much physical pain, the same way illiteracy was eradicated at the beginning of the Revolution. We have the highest per capita rate of teachers and professors in the world; the highest rate per capita of doctors. This is the country being accused of violating human rights. This is a country that has pursued a definite line of respect for physical integrity.

The best testimony of this are the 3,000 prisoners we took in Giron. None has said he was ill-treated, no one was killed in the heat after battle. No one was touched. They returned as heroes. Some of them have changed. None can say he was hit with a rifle butt. This is an honor, our glory, our history, in spite of slander that may be invented. [applause]

I have talked about Cuba donating blood to save lives, and about our doctors and teachers. However, we have done more than that: We have shed the blood of our fellow countrymen to fight against colonialism and defend the independence of the [word indistinct] peoples [applause, crowd shouts Viva Cuba].

More than 2,000 Cubans sacrificed their lives to fulfill these internationalist missions. If there is something that makes us feel proud and certain that we have fulfilled our duty with humankind, it is the 15 years that we fought against South Africa, and against racism and apartheid in Angola [applause, crowd shouts Viva Cuba, Fidel].

For 15 years, we fought to the end. What were they doing to us? They said we needed a blockade because we were fulfilling that mission of assistance there and fighting against the South Africans. This is a very interesting story, which will be written some day. The system of apartheid that existed in South Africa was one of the most heinous systems of discrimination, even after tens of years had elapsed since the end of Fascism and Nazism.

Not much is said about the subject these days; however, we know history quite well. South Africa was never under a blockade [applause]. South Africa was not prevented from buying food. [passage indistinct] they did not understand that until the time came when a very serious crisis emerged and they were about to lose the [passage indistinct] completely.

They could not understand that. The time came in which a very serious crisis was created in which the war was about to be lost. We Cubans had to resolve the problem. [applause]

We sent many of our best units, pilots, planes, and we said to them we are going to stop the South

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Africans. When we arrived there, there was a great crisis. That was when the Cuito Cuanavale battle took place. [applause]

Do you know how many troops Cuba sent to Angola at that time? We deployed 55,000 troops. They all went there on a voluntary basis. That is the most important thing about this. They went there voluntarily. [applause] The racists could not win in Cuito Cuanavale. They wanted to fight in the east, in a difficult place, but that was a trap for them. We set a trap for them in which they fell. Cuito Cuanavale became a symbol. We sent the necessary forces to stop the South Africans and defeat them. We deployed 40,000 Cuban troops and 20,000 Angolan troops to the southwest to threaten them on the other side and to prevent the South African Army from trying something different. We were able to create the necessary balance of power simply to stop them and to attain victory. This was our contribution to the implementation of UN Resolution 435 to put an end to apartheid. That was our contribution to the heroic struggle of the South African people. [applause] [passage indistinct]

They did not talk about that at the United Nations. They spoke about the end of apartheid like the work and miracle of the United Nations. They never mentioned a single Cuban who died there. The name of Cuba was not even mentioned. Look at how they intend to rewrite history and forget reality. [applause]

What is the most extraordinary thing about this? It is that South Africa had become a nuclear power by then. We knew about that. We even deployed our forces in a certain way because we knew that South Africa had nuclear warheads. The question was whether they could decide to use it or not. Who they were going to use the weapon against. Where? Inside South Africa? They could not sustain apartheid even if they had nuclear weapons.

A book has just been published that states that South Africa had tens of nuclear weapons at the time. They even had nuclear grenades. They had respectable amount of nuclear warheads. It has been described in detail in the book. Research on this was conducted by American and South African journalists. That was the situation at the time. Did anyone protest? Were people unaware that South Africa had that many nuclear weapons? Why was it that no one said a word about that? Why didn't people report the fact that South Africa had nuclear warheads? Because the Cubans were there, the Cubans were the ones fighting the South Africans and apparently the people did not care if South Africa used the nuclear bombs against the Cuban and Angolan troops. That is the truth. That is the history that remains to be written. More research should be done about that. According to the theories of these researchers, fascist and racist South African groups have been able to keep some of those weapons. That is the way history is written. That is the way international relations go. That is the way certain people in certain countries look at history.

Certain countries can manufacture as many nuclear weapons as they want and nobody cares. If any other country, such as the DPRK decides to manufacture these weapons — who knows with what resources — a great scandal is made. The racist South Africa, the South Africa of apartheid, however, could have as many nuclear weapons as they wanted. It was allowed to have as many nuclear weapons as they wanted. That is why when speaking about the history of these years of revolution, I believe one of the most risky and dangerous pages of history written by the Cubans was the one written of that struggle against racism and apartheid in South Africa. The Namibians and the Angolans fought as well. [fading reception, passage indistinct]

[Passage indistinct] fought against Apartheid and against racism. [applause] There are countries in which more than 20,000 people have disappeared. There is a country in Central America — Guatemala — where over 100,000 people are missing since the mercenary invasion [passage indistinct] against men, women, and children, against the young and the old. It makes them starve. Because no blockage has been as harsh, as severe as the blockade against Cuba. I believe it is unfair to use a blockade as a weapon against any country. It is not logical, because it is a weapon against the people, against the common people. [applause]

They do not have to use it. People want a ban on nuclear testing. We agree, all nuclear weapons should be banned. But what is a blockade — as we said today in the United Nations — but a noiseless nuclear weapon which kills people, the peoples, and noncombatants. This cannot be justified.

If I have overextended myself it is not because I had the idea I was going to speak here. I have spoken this long because I wanted to meditate with you. To meditate with you regarding these issues with which I justify the idea that we have been loyal to our principles, and that you with your gesture of receiving us here tonight recognize this loyalty to our principles.

Here, in Harlem, I met Malcolm X [passage indistinct] those were difficult days, but we had a very hard struggle ahead of us. The great battles of Martin Luther King in favor of civil rights. The great struggles by the Blacks, Hispanics, Latin Americans to improve their living conditions. The struggle by the elderly and the

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sick. I know very well that many of these achievements are in danger today. I know there are those who [words indistinct] some people would like to do away with all these achievements. To do away with all aid to the sick and the elderly. They would like to do away with affirmative action, to sweep away all the achievements which the most humble people in the United States have attained through all these years of struggle.

I mention this briefly and hope no one will blame me for this, but approximately 1,000 hours of broadcasting are aimed from the United States toward Cuba. One thousand hours of radio broadcasts aimed at Cuba every week, fostering sedition, sabotage of the Cuban economy, and attempts against the lives of our leaders. This modest person that you see here has had the privilege — and I believe that the church has had something to do with that — to have survived hundreds of attempts against my life. [applause]

I believe that the prayers of many of you have saved me. There must be something here, if not how could it be possible. And still those plots are being hatched today. I am not blaming the administration, but the extreme right-wing, the extreme racist groups that are working feverishly to attempt against Cuba's economy and to assassinate the leader of the revolution. That is still going on. That has not changed.

I was moved when Mr. (Bosworth) talked. He was reminded of the day when we went to church in Havana. I remember that on that day I felt like a brother in that church, because I delivered not a speech but something like a sermon. And he was also reminded us of other data, when I was asked about my beliefs and what I had answered then, I answered in all honesty that I was not lucky enough to have such good pastors. [applause]

Instead of asking me to believe they should have asked me to think, to meditate; that way they would have given to my soul the conviction that I did not have the privilege of receiving. So I became a priest of a different cause, a cause that I believe has no contradiction with your religious beliefs and the beliefs of God. God was the idea of good, of doing good to human beings. [applause]

And while he talked, I thought about all these human problems, all the sufferings of humanity and I do not want to list the sufferings of 4.5 billion human beings in the world. There are billions of illiterates, starving people, people who are living under the poverty line, who have no education and medical care; when I see so much suffering... [pauses] I remembered while Brother (Bosworth) talked the legend of a Cuban native aborigine, Hatuey was his name. The Spaniards arrived in our country with that spirit of conquerors, they arrived with that spirit in Latin America. They came with a cross and a sword. You should understand that the cross cannot be introduced through the sword. [applause]

Aborigine Hatuey rebelled against the conquerors and he was sent to be burnt at the stake. At that moment he was told that there was a heaven and that he should be baptized in order to go to heaven, and then he asked: If the Spaniards go to that heaven I do not want to go there. [applause]

He was not asked whether he believed. He said: If they go to heaven then I do not want to go there. And nowadays in this world there are many who talk to us about heaven, in this world so full of abuses and so full of injustices, and in this regard, I could say that regarding the heaven that you practice in this world, that we do not want to go there, we do not believe in that heaven. [applause]

We want to go to a heaven where there is justice, where there is human dignity, we want to go to a heaven where there is brotherhood. And I believe in that heaven and for that heaven I am willing to give up my life. Thank you very much. [applause]

Address to Puerto Ricans in Bronx

PA2710232395 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0337 GMT 25 Oct 95

[Speech by President Fidel Castro in the Bronx, New York; date not given; from the "Open Agenda" program — recorded]

[FBIS Translated Text] Dear friends and distinguished...[pauses] if you see me having a little trouble to see, take into account these are the needs of the modern and electronic times and that these light bulbs are bright. Julio said that they had reportedly needed... [two-second break in reception] I believe baseball. It seems to me that I am seeing a stadium here in this magnificent Bellini Room, which has been so brave and valiant as to be lent tonight. The words of Julio Pabon and Jose Serrano have impressed me. I have liked a great deal the simple, direct, clear, and frank manner in which they speak. They never know what they are saying [as heard], and... [three-second break in reception] and they say it with all the necessary care. While they were talking about the things that united and brought us together — the Latin American and Hispanic American family — I was recalling, among other things, the language that unites us and that is capable of expressing so many feelings as the ones that have been expressed here tonight. These feelings are capable of arousing so many emotions as the ones the comrades from the delegation and I have felt. I

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was saying that they are capable of arousing so many emotions as the ones my comrades from the delegation and I have felt here tonight.

It seems to me that before going on, I must explain this serious problem with the major leagues I see that you are Cleveland fans. I, who have been frequently interviewed by the television and reporters... [three-second break in reception] the issue. It is strange, it is strange that what the North Americans know the most about me is that I like baseball. Of course, I like many other sports too, but each North American who visits us brings me either a baseball, a glove, a bat, or a book on the biography of a big star or the biography... [pauses] on baseball statistics and championships. They identify me, which is good, as a sportsman and as a baseball fan. Today I was given bats and baseballs. I have been given... [pauses] I can build a museum with all these objects.

In television, I was asked [passage indistinct] what team I support. You don't do that [passage indistinct] came from Uruguay, from Bariloche, from a summit held there by Ibero-American chiefs of state and government. It was speeches and more speeches; I barely had time to read a dispatch or newspapers. The speeches were not mine; they belonged to others. At least with my speeches, I amuse myself, while the others get bored. Well, as you know, I am the Olympic champion because of being the individual who delivers the shortest speeches in summits and when it is forbidden to deliver speeches lasting more than six or five minutes. In Bariloche, I delivered a three-minute speech, breaking the record of records. I took seven minutes to deliver a speech in Cartagena and six minutes at the UN Summit for heads of government and state. It was because I read more slowly to emphasize certain issues.

Therefore, among the large number of interviews made to me, those questions were made and they surprised me. If I had known you people in the Bronx were in favor of Cleveland, I would have said: Listen, don't get me into that trouble. I remember I was a friend of Ted Turner and I said: Since I am a friend of Ted Turner, I must be in favor of the Atlanta Braves.

I was asked the same question today and I told them that they were going to cause a fight with my friends in this country not because of political reasons but sports. Yes, well, I already chose, but I am not wholly affiliated, and they should keep that in mind. In turn somebody said to me: Listen, there is a Cleveland player who hit two home runs, in addition to that he also took somebody out at first base. This player is a hero, and you know what? He is Puerto Rican. Now that that has been clarified, I hope you will all understand and forgive me. I was being spoken about a great Cuban athlete and I wanted him to come here one day to play with you. Well, there is a solution for everything, right? We will most likely have to get who knows how many permits, but in that case our willingness will never be left wanting. Once again I must insist in that I relish the clear and brave manner in which things were said here tonight, in addition to the wise manner, which is the same I have to resort to here. However, there was some criticism because one of the two said that there were progressive minded people and businessmen. To which I added when can be sure that businessmen are not also progressive.

The difference should not be established because all have helped, all are here, all have granted us a great honor, all have given us immeasurable encouragement, all have shown us and enlightened us, and, above all, have broadened the circle of our family, our great Latin American family, our great human family, when they told us that this evening, what we wanted [passage indistinct] almost half a million Puerto Ricans live here in Bronx. [Someone shouts: "Yes, sir!"]

I was astonished. I was thrilled even more to learn there are not only Puerto Ricans, but also Dominicans, Cubans, and people with other nationalities, and [someone shouts: "Uruguayans!"] there are — well, Uruguayans, we have just been told. There are also North Americans, people of North American origin, Panamanians, and everything else. It is an unforgettable lesson for us. We had not been able to envision this vast and important human dimension, or to understand we had so many brothers among you.

We talked about Cuban immigrants, we also talked about Miami, we talked about New Jersey. Yes, it was mentioned. However, we cannot even think, and I think one of them said it, of course, that most of the Cubans who live in the United States are in favor — just in case there is one around here — of the blockade. We know about many, many, many who are not, or cannot be, in favor of the blockade for many reasons, among others, the ones so brilliantly explained this evening here.

The United States has traditionally been the land of Cuban immigrants for centuries. In fact, many Cubans came to fight for the U.S. independence, hardly anyone remembers this, in Washington's time and the difficult days of a harsh war. They came from Cuba and they fought. Spaniards also came to fight. Spaniards also came to fight for the U.S. independence. We can say they came throughout the centuries.

There were also times when opinion was divided in our country because it was the last one to attain its independence from Spain; and there were more than 300,000 slaves. To tell the truth, the Spaniards were in charge of the administration, Army, and trade;

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and the Cubans owned the land and the slaves; and an annexationist sentiment prevailed among many of them because they were afraid that what had happened in Haiti, which led to the Haitian revolution, would happen in Cuba. Haiti was the first country to attain its independence.

Some Cubans thought at that time that the only way to save themselves was to join the North American nation. In the United States, there were some sectors that favored that annexation, because they thought they would have two more votes in the Senate. This was a time when the slavery issue was being discussed more than the Helms-Burton bill. [audience laughs] They were discussing whether to abolish slavery. One must not forget that even though in this great country, which was one of the forerunners of the modern revolutions because it preceded the French revolution, although its ideas essentially came from Europe... [pauses] and it declared itself independent and it struggled many years for independence, it was stated that it was evident that all men are born free and equal and that the Creator granted them specific rights. But among those rights and evident truths granted by the Creator, the freedom of slaves was not included. It was not until nearly 80 years later that the slaves were freed after a hard struggle and a civil war.

However, there were Cubans who wanted annexation. Others strongly opposed it. That was a big struggle. Then during our war of independence, many Cubans took refuge in the United States. They organized themselves and worked from here. The most well-known, the most illustrious, the greatest one was our national hero, Jose Marti. [applause]

During the republic, many Cubans came to the United States looking for work. Not in the early years, but when the sugar industry gained some momentum, the population grew, and employment was reduced. Cubans lived here in New York and in New Jersey, Miami, and many places prior to the revolution, and we met with them and they supported us. Some of them returned to Cuba and some still live in the United States. I had the pleasure of greeting a few in these past days.

Therefore, a tradition existed. But there was a prohibition and a very small quota to enter the United States. It was really the revolution that opened the doors of emigration to the United States. The first to emigrate after the revolution were obviously those people who belonged to the Batista regime, which committed many crimes. It is estimated more than 20,000 people died. Hundreds of criminals, thieves, took refuge here in the United States. It was an emigration due to political reasons. When the first revolutionary laws were issued, they affected a number of interests, because there can be no revolution anywhere — not even in the United States with its independence revolution — which does not affect many interests. I can imagine how many British citizens were affected by the U.S. independence and went back to England. There were even wars afterwards between the United States and England.

The revolution also affected interests and some people came here. But the war [passage indistinct] the immense majority of those who came later did so for economic reasons. We were very near a country that had twenty times more income that we had, much higher salaries. The phenomenon of emigration is universal. In Cuba's case, [words indistinct] that privilege was not granted to anyone. Puerto Ricans, due to Puerto Rico's special political status, did have the right to come and go. The Cubans and the rest of the Latin Americans did not have it. One of the greatest problems in the world today, one of the greatest fears of the developed countries is immigration. We see [words indistinct] Proposition 187 in California. Look how some talk of erecting a wall even bigger than the Berlin Wall on the U.S.-Mexican border. There are some who propose erecting three walls.

The Cubans were told: Come, you will be well received. Initially we lost doctors, teachers, we lost all sorts of people, skilled workers, executives, managers. They had possibilities of earning higher incomes in this country. Later, the principle was established, legal regulations were established that gave the Cubans rights that did not exist for any other citizen of Latin America or the world.

It is logical that a massive emigration would occur. However, we were those who opened the way. The revolution opened the way for this emigration.

Our policy is to say: Everybody who wants to emigrate from the country is free to do so. Thus, waves came until the United States took measures and established restrictions. That is why Cuban emigration increased [words indistinct] now. They were welcomed, could actually become U.S. residents immediately, and received assistance, employment, and other facilities that others did not have. Was a passport required? No. They could arrive on a boat, a rowboat, a long boat, a kidnapped airplane, or a raft. They were asked: Who are you, sir? Where is your passport? They said: I am against Socialism, and I do not agree with Cuba's political problems. That is how this came about.

In fact, during the first years, there were very marked differences among those arriving. We ourselves did not realize that many of those emigrants had economic reasons. Due to the statements they made upon coming

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here for help, we considered them as adversaries of the revolution. Of course, some of those fellow countrymen were used for subversive activities against Cuba, to organize expeditions, and to destroy the revolution.

Thus, we had many problems and serious difficulties. There was the Giron invasion. We arrested 1,300 prisoners. As we have said earlier, none received a single blow or was hit with a rifle, because of the principles of the revolution, principles that were maintained throughout our struggle and war. I can assure you here that we have never abandoned these principles and never in our country have there been attempts against the people's personal safety. We fought against this and against those who had tortured thousands of our comrades. I can further assure you that I have read a little about revolutions and history, and I believe that the most generous revolution ever is the Cuban Revolution. I say so.

We went through the Cold War. These were dangerous times. We experienced those dangers. We experienced the beginning of the blockade. These were very difficult times since we did not have the organization and experience we now have. There were allies and friends who helped when we no longer had supplies of oil, machinery, spare parts, or anything. Then, we received aid from abroad, an aid we always appreciated and continue to appreciate regardless of what happened later. We went through a very difficult period.

As you know, Cubans are very creative. If you go to Havana, you will see many cars dating back to the 1940's, 1950's, and 1960's. It is not like New York where all cars are new and nearly all are Japanese [words indistinct] many U.S. cars. It is true that they have a Soviet motor that burns so much gasoline that they need to have a refinery behind, or spare parts that Cubans manufactured. However, these cars began running and are still running. One of these cars costs now more than a new car. Do you know why? Because these are spare parts that belong to a museum. Spare parts belonging to a museum are always more expensive. We went through very difficult times. All the machinery was from the United States for transportation and factories [words indistinct]. (?We had to make them). Everything changed.

During that harsh struggle, there were pirate assaults, invasions, numerous plans for attacks. I can assure you that there were so many plans to attack us that I could give one to each of you here. I do not want to offer you this gift or anything like it. Nevertheless, this somewhat explains the miracle that I am here talking with you about because according to probabilities, I should be in the other world. However, I can assure you it would not be in hell. I will not discuss my beliefs. I would not be in the purgatory either because we have already lived through a purgatory for a long time. [I would be] in heaven of course. However, we have not sought heaven for us. I can tell you that we have sought heaven for our people. [applause, cheers, laughter and crowd shouts: "Fidel", "Viva", "Fidel, Fidel", etc. throughout]

And this has been our struggle. Perhaps with the experience and realities of today, what we learn today, we should have made a clear differentiation between exiles or emigrants, rather. They were not exiles because they were not expelled from the country. We should differentiate between those who emigrated for political reasons and those who emigrated for economic reasons.

But I can tell you that I even know many people who emigrated because of political reasons and today maintain excellent relations with the revolution. In other words, times change; life changes. And I can assure you that many of those Cubans are changing and that they may become, if they already are not, a majority [words indistinct] who don't have the resources or publicity media of others to do the obvious thing. They have specialized in doing the obvious thing. This is why the battles Representative Serrano and other representatives in the Chamber and the Senate must wage are so difficult. They are fighting against these measures, which are measures really cruel.

When I spoke at the United Nations yesterday, I said that the blockade — which kills men, women, children, and youths — was [passage indistinct] None of you should regret what you have done [passage indistinct] and you are really making history. You are making more than history. You are demonstrating your courage because really, under specific conditions, you had the courage to invite the Cuban delegation, the courage to challenge prejudice, lies, slander, publicity, threats like the one mentioned of not giving a job to a person for having a different attitude. These are acts of force, are acts of pressure, are acts that go against the basic principles of this country, where you have been received and where you live. And believe me, dear friends, that not just humble people, the organized mafias that try to sponsor the blockade against our country do not respect anyone. And I know about important political personalities and businessmen who have been threatened, who have been intimidated with the threats, with the campaigns of these groups to defend, using fascist methods really, their purposes and plans.

I know people in Miami who have to live clandestinely. I know people in Miami that when they tell me what has happened to them, one can hardly believe it. They have been harassed at work; they have been harassed at

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the Club where they exercise; they have been harassed at home. They have received threats via telephone, and especially a psychological type of terror: radio, television, slander.

These people have gone even further. They have shaken the car of families traveling with their children as an act of revenge or because they went to a meeting in Havana [passage indistinct] contrary to hostile measures like the blockade. They have gone as far as threatening children. And I wonder if these are democratic tactics, humane tactics or if these are methods that deserve to be called what they really are: Fascist methods, fascist methods. And they have used these methods against other people or their fellow citizens. These methods will fail sooner or later. And we observe change of opinion in the very United States. We observe a growing number of people and personalities, eminent personalities from the world of publicity, advertisement, from the world of business, who are already tired of an aimless policy.

It has been said here that Cuba is the only country blockaded by the United States. And why? Why should a country that has not had a war with the United States, a country that has maintained historical ties with the United States, should be the only country blockaded here? China was mentioned here; Vietnam was mentioned here; Korea was mentioned here. Soldiers from those countries faced off in great battles against U.S. soldiers. That never happened with Cuba.

Blockades were not ordered against governments that disappeared over 100,000 people. I said this last night at the meeting there in Harlem. As a result of the intervention against Arbenz, governments of force came to place where the category of prisoner did not exist, because they were all absolutely disappeared. This is how more than 100,000 people were disappeared after the fall of Arbenz. Aren't we doing the right thing by defending ourselves? What do we want the future of our country to be like? Do we want people with these methods, with these ways, to take over our fatherland one day, forcing our people within 50 years to mourn thousands of missing persons? And this was not the only country to do that. There are a few Latin American countries where there were thousands of missing persons and murdered people. And I can affirm here, with the morale as high as the Himalaya Mountains, that there have never been death squads in our country, there have never been missing persons, there have never been murdered people. [applause]

This is a truth no one can deny, and there are 11 million Cubans who can vouch for that. Even our adversaries cannot say that; they may complain about something else, want something else. They do not think the same way we do and are not, of course, the majority. Never could any of them say, however, that there may have been killings or disappearances, and we are not even opposed to a blockade against any country [sentence as heard], because, as it was said here: At whom is the blockade aimed? Whom does it affect the most? It affects the people. Would it be fair to say we do not like the Cuban Revolution and let us drop 10 atomic bombs? Would it be fair to prohibit our country from purchasing one aspirin for a headache, not to mention an Alka Seltzer, to help the digestion process? Would it be fair to prohibit our country from purchasing [word indistinct] medical equipment, medicine that can save lives? I know cases of fellow Cubans who have died, because they were unable to obtain medicine or equipment the sale of which is prohibited, after traveling around the world.

Cuba is not the only one facing an embargo. Embargo is a rather soft word. We say blockade, but there has been an economic war against Cuba, a political war.

The USSR no longer exists. The Socialist bloc no longer exists, and we have absorbed a great deal of publicity, propaganda, attacks, the blockade. Relations with China are excellent; relations with Vietnam exist. We have been left alone, and all the publicity artillery and hostility that was aimed at the Socialist bloc is used against Cuba today.

We explained in Harlem yesterday what Cuba has done. I do not want to repeat this. I do not want to speak for long, but I cited certain examples of how our country has sent more than 15,000 doctors abroad to provide services free of charge in Third World countries. [applause] I think no other country in the world has done this. We have sent hundreds of thousands of teachers, construction personnel, scientists, researchers, and agricultural engineers abroad. In Nicaragua, we sent 2,000 teachers to teach in the mountains, in the most remote locations, where teachers had to walk three days or arrive by mule, and they lived there with very poor families who had only one room and [words indistinct] the father, mother, seven or eight children, the horse, and the Cuban female teacher, because most of them were female teachers. [applause]

I remember our country made 100,000 donations of blood in 10 days when the earthquake hit Peru, or 50,000 blood donations when another earthquake struck Armenia. These are the feelings, the conscience the revolution has taught our people. We have also helped Iran and other catastrophe stricken countries, as well as many Latin American countries even if we do not have diplomatic relations with them. This has been the sense of humanity, solidarity, and work.

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Regarding the great tragedy of Chernobyl, I want you to know our country has treated 13,000 children of Chernobyl free of charge. Our country, Cuba alone, has treated more Chernobyl children than all other countries of the world combined; that has been a policy, an ethic.

I also mentioned we have had to spill our blood in helping African colonies become independent. We have struggled against the racism and fascism of Apartheid in South Africa, contributed to the independence of Namibia, contributed to the common struggle in which Angolans, Namibians, South Africans, and Cubans participated. [applause] We have contributed to the disappearance of Apartheid.

Is it fair to blockade our country? Is it fair that there is no medicine for one sick person? [crowd chants: "no!"] Is it fair that there is no milk for a child, that there is no food for an elderly person. [crowd chants: "no!"] Well, we have been forced to suffer that blockade, which is only justified by the fact the issue of the blockade has become a domestic policy affair. If they make a lot of noise in one state or another, they make believe their votes will be decisive in the elections. Unfortunately, that is a factor [words indistinct], but what you are doing, what you are promoting is precisely the antidote of all that. [applause] It is the antidote.

You are part of this great nation. You participate in this nation with thousands of men and women who speak the same language as we do, of men and women who speak Spanish, who have the same culture, who have the same pride in their countries of origin, as other groups. For instance, the Irish are proud to come from Ireland.

You are a great force in a country in which everything is organized to defend your interests. You can build an incredible force to the extent that you create links and unite, that you manage to create awareness about these problems. It is sad that you have to fight, to fight people who are not moved by feelings and ideals. Those who fight with so much hatred and rage, who promote so many campaigns against Serrano or Julio or many others of an increasing lot who do not, of course, make up a majority, and who have opposed a blockade [words indistinct] analyzed from an ethical standpoint, from a humane standpoint, from a principles standpoint.

Our country has truly had to experience difficult situations; it is experiencing them, because in the past there was a blockade, but we traded with the Socialist bloc. The Socialist bloc collapsed later. We lost 75 percent of our imports and lost nearly [?100] percent of our markets, and we have resisted despite everything, why? Because of the awareness I told you about. [applause] Because of that sense of dignity, liberty, solidarity, because we do not have much, but we share it among all, and no one was thrown to the streets, no one was abandoned.

There were no shock policies, no school was closed, no day care center was closed, no old people's home was closed, no clinic was closed, and in our country there are more and not less doctors year after year and more and not less teachers and professors, and we have thus achieved the highest per capita rate of doctors in the world [words indistinct] developed countries [applause] and the highest per capita rate of teachers and professors in the world.

There are dozens of thousands of scientists. How have we managed? There has been talk of a miracle, but I can assure you that your fraternal people, the Cuban people, have managed to achieve this, and this was not achieved through force. No one can achieve this through force, because in our country the people are the ones who defend the revolution; the people are the ones who bear the arms. [applause, cheers]

It seemed absolutely impossible to resist, and we are resisting [words indistinct] moving forward. I am certain your words, which the media has kindly captured, will be heard by our people and will constitute an enormous encouragement, and they will also hear the statements made here by Julio and Serrano. They will sense the atmosphere of this act, the gratitude that I am voicing on behalf of the people.

Never have regrets about heroism; never have regrets about justice. Never have regrets about courage and daring, because the courageous, firm, and daring ones are those who have achieved the most beautiful deeds in history. Philosophy aside, I have cited the example of Christianity. There was great struggle and suffering. The 12 apostles started spreading doctrines of love and justice throughout the world to thousands, and who knows how many men and women died defending their faith. If there is Christianity at present it is because there were Christians who died on the cross, because there were Christians who were devoured by lions before renouncing their ideas. Those who insult or threaten you are not as ferocious as those lions; they are not so powerful, and they are dead wrong, and you will not be weaker after this meeting.

I am certain, absolutely certain that you will become stronger; thus, we should all feel proud, you and us, we for being honored and receiving the encouragement of men and women as excellent as you are, and you, because you are the ones who brought good causes to victory, because you are just, courageous, [word indistinct], generous, and supportive. Thank you very much. [applause, cheers]

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Statements to Pastors in New York

PA2910222095 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0357 GMT 28 Oct 95

[Statements by President Fidel Castro during a meeting with a group of U.S. pastors from various religious denominations at the Cuban UN Mission office in New York on 25 October — recorded; pastors speak in English with simultaneous translation into Spanish; Castro speaks in Spanish with simultaneous translation into English]

[FBIS Translated Excerpt] [passage omitted: introduction by unidentified pastor, including break in reception] If you wonder, what did Castro do in New York? The first thing I would have to say is that I have gone very hungry. [laughter] That is what [words indistinct]. In the country that produces [words indistinct] tons of food [words indistinct] I have gone very hungry because of my tight schedule. I have been invited to luncheons and dinners, but the speeches begin immediately. As for questions, if I think I have lost some pounds [words indistinct] but when Lucius [not further identified] spoke about dinner [words indistinct]. Then suddenly I remembered the Bible and I said I hope this is not the Last Supper. [laughter] It was not the first supper either. [words indistinct] the Last Supper by crucifixion.

We can go hungry. [words indistinct] Last Supper if there were any supper at all, crucifixion if necessary, even though some people have wanted to crucify me. [words indistinct] for meeting here, where I can see the happiness it means to be here. It is also a special feeling to be here at Lucius' home. He has been in Cuba quite often bringing friendship, Christianity, generosity, and love to poor people. [words indistinct] thank you very much. Thank you for the generosity in your hearts.

I must say here that I feel a very special affection and an extraordinary gratitude, a great love for you. You have not only shown your affection for Cuba, but for many other countries in Latin America and the world. I want to thank [words indistinct] but I believe it is a language, the language of gratitude. Gratitude toward them, gratitude toward all of you. It remains for me to say that I feel some sort of spiritual elevation when I see that my visit with you has become a church.

As for my visit to New York, I must say that, first of all, it is my duty. It is my duty to participate in the UN anniversary. [words indistinct] I had to come because there are adversaries here who are fighting Cuba. I had to come because there were [words indistinct] but we have been very well-treated here by the authorities. I have trusted your sense of duty, your professionalism, and as you can see [words indistinct]. Here I am, very healthy. No car bomb exploded, no shots were fired, no bazookas were fired. An armored car provided my transportation. [words indistinct] but because of my convictions and my ability to see life [passage indistinct] die on the cross or killed in a Roman square, the victim of a wild animal. And that is why [words indistinct] my Christian spirit is to show my lack of fear for the wild animal. We can see so many things that bring us together. Here I am attending this program. Do not give the credit for this to me but to those who organized the programs. I received many visits, 150 or more [passage indistinct] a certain criteria was used and I accepted each of the ones organized for me. [passage omitted] I have met with the most prestigious members of the media, [words indistinct] I have been asked who knows how many questions and I have tried to reply to all of them whenever possible. Everyone has been very kind. Last night, when we received all those 200 people I noticed that they were happy with our visit and the results of our visit to New York. I have tried being as respectful as possible with the authorities of this country. I have wanted to avoid being accused of subversion in New York. [laughter]

I met with [word indistinct] in Harlem; what a pleasure, what a joy, how much affection, [words indistinct] what a great spirit of struggle [words indistinct] it is incredible. It was 35 years ago when I had to seek refuge in Harlem because there was so much hostility that I was expelled from the hotel in which I was staying. I had done nothing wrong. There was too much commotion, and the owner of the hotel said that this was no good. We were asked politely and delicately to leave. I asked where we should go. As guerrillas, we were used to camping out in the mountains, so why not erect our tents on the UN grounds? Of course, that would have been a great scandal [words indistinct] perhaps we should have done that. Then came our first contact with the Teresa Hotel, and I liked that idea better. That was great. There were plenty of campaigns against the revolution. It was said that that cannot be allowed. They had people confused with the propaganda [passage indistinct].

I practically became a celebrity there. Khrushchev, [?Nasser], [words indistinct], a host of personalities went there to visit me at the Teresa Hotel. I became [words indistinct] visited by the leaders at the time, in a normal atmosphere. At that time, there were hard struggles for civil rights, the fight against discrimination, and there I was welcome [words indistinct] that is something I shall never forget. A revolutionary was received here [words indistinct] that still had not been proven, it was a hypothesis [words indistinct]. But those people trusted me.

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This time, my visit has much more value. First, because I wanted to pass on my memories and my gratitude for the way I was received, and second, because 35 years have elapsed.

I could ask: Am I the same man I was then or am I different? Who knows the answer? The people of Harlem — and the people of Harlem received me with more warmth, affection, and emotion than [words indistinct] seldom in my life have I witnessed an event with so much enthusiasm, so much affection, and so much support. If I did not forget the first Harlem I will never forget the second. I wish I could live 1,000 years so I could continue to remember it. I felt so moved and so deeply touched. Hence the question: Am I the same man? Have I been faithful to my ideas and principles? The men and women of Harlem, and other places [words indistinct] blacks, whites, Hispanics, North Americans, [words indistinct] gave me the idea that I had not changed. [applause]

I went to the Bronx on another day [words indistinct] where half a million Puerto Ricans live, and it was a similar event [words indistinct] great affection, great enthusiasm. It was also a heartfelt event — not exactly like the one in Harlem. It had other characteristics. Naturally, I was careful everywhere I went. I did not want to appear as a [word indistinct], I did not want appear as a subversive so that tomorrow [words indistinct] here that Castro had come to subvert order in New York.

Who could accuse me? The newspapers? No, they have behaved in an excellent way [words indistinct] who could accuse me? The businessmen? No. They behaved in an excellent way with us. Therefore, I asked: What kind of [word indistinct] am I? I meet with the rich, and they treat me very well. I meet with the poor, and they treat me extremely well — all with very good manners, lots of courtesy. A new phenomenon; a new experience. How do I leave New York? Have I turned the rich people into poor people? Have I turned the poor people into rich people? What am I? Lucius. A revolutionary? I think not. I think I am the same, but there are more and more people in this country who [words indistinct] they understand that the blockade is unfair, that it is not honorable, that it is not [words indistinct], that it is not fair to maintain that policy against Cuba — all of Cuba. Why Cuba?

I will not talk about [word indistinct] Cuba although I have a firm and proud conviction about the noble things that Cuba has done. I have mentioned some. I know you went to Nicaragua, El Salvador. I recalled that we sent 2,000 teachers and when [words indistinct] 30,000 offered to go. When some teachers were assassinated by the counterrevolution 100,000 offered to go [passage indistinct] we recalled that more than 15,000 teachers have given their services for free in the Third World. They have saved hundreds of thousands of lives [words indistinct] we recalled how our blood was shed struggling for the Portuguese colonies' independence, struggling for their independence [applause], struggling against apartheid [applause], which had nuclear weapons, and we suspected it. We were firmly convinced and we had to adapt [words indistinct] to the possibility of nuclear weapons [words indistinct] it is known today, and the government confessed it [words indistinct]. They had dozens of nuclear bombs, nuclear grenades.

Now one would have to wonder, if Irangate was mentioned, Watergate, and I do not know how many gates were mentioned, how do [words indistinct] how many did they have, and what has become of them? Because they have not told us [words indistinct] the fascists, [words indistinct] each one a message, if the previous administration said they had sold them. But nobody knows anything about those weapons. This should be investigated. How did they get here? Where are they? They say that terrorists [words indistinct] plan to use them [words indistinct] but our small country, thousands upon thousands of miles away, our people fought along with the Angolans, the Namibians, [words indistinct] today, everybody applauds [words indistinct] the end of apartheid. But nobody wants to mention the ultimate price paid by our noble people in this fight. I also recall when the people of Chernobyl [words indistinct] thousands of children [words indistinct] and Cuba, free of charge [words indistinct] 13,000 children [words indistinct] [applause]. In the midst of a blockade, with the Soviet Union gone, Cuba has taken care of more Chernobyl children than all the countries of the world put together. Cuba has struggled for their health, and despite the fact that we took the children [words indistinct] we have had so much progress in genetics, [words indistinct]. Have we committed a crime against humanity? Have we committed a crime against our noble people? On the contrary.

Would our noble people have permitted injustices, crimes, torture [words indistinct] have we at other times told a lie, slandered anybody? They can repeat those lies hundreds of times, thousands of times, a million times, but they will never be true. And the Christians know this, because when Chrisianity began, Christians were the victims of terrible slanders. Christ himself was crucified. Millions of Christians were crucified and thrown to the lions. But that does not mean that the others were right, that those lies were true, that Christians made human sacrifices, that they sacrificed

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people and did all those horrendous things. Many noble people gave their lives for the love of others. Even if these lies are repeated a million times, they will not become true. [passage indistinct] because of this, we have enjoyed the privilege of your friendship, solidarity, and the battle you have been waging against the blockade and aggressions. You are not warlike nor do you drop nuclear bombs. And what is an embargo? A nuclear weapon that kills women, men, children, teenagers. That is what an embargo is all about. Nuclear war, and Hiroshima and Nagasaki, are being condemned, but what are they attempting to do to our people? Deprive them of food and medicines, kill them like they did in Hiroshima and Nagasaki. They want to kill us silently, like some sort of neutron bomb [passage indistinct] the embargo gets closer, but the embargo is an economic war [passage indistinct, interference by another station]

We do not have the privilege of being able to blockade [words indistinct] the way the Bible says, but this is what we have wanted to do: Provide bread, fish, and wine, or at least water, to all [applause] by distributing what we have and what we receive, as many of you know, as Lucius knows. No one steals [words indistinct].

What country could have resisted this difficult period without the consent of the people, without the support of an overwhelming majority of the people? [words indistinct] the people have the force, the people have [words indistinct] the people have the power, the people have everything.

Why accuse us? Why slander us? Why the accusations about violations of human rights that have never taken place in our country? No one is missing there, there has never been a political assassination, and no one has been tortured, regardless of what paid reporters say [words indistinct] a million times I will say: It is a lie, it is a lie, it is a lie. What we and our people feel is incompatible with abuse, injustice, crime, and the violation of the physical integrity of people and [words indistinct] the Cuban Revolution. Five years have gone by and we are struggling, not [words indistinct] [applause] After 35 years of aggression and hostility, what other country could have withstood? If the slander that has been published against our nation were true, our people would not have been able to withstand this. Our people would have never permitted [words indistinct] the struggle against crime, against [words indistinct] against injustice.

However, we are the only country enduring a blockade. Food and medicine always went to South Africa [words indistinct] there has not been a blockade against Guatemala, where more than 100,000 persons have disappeared, as we all know, since the invasion against Arbenz. You cannot speak of prisoners there because no one was ever taken prisoner. In the Philippines, 20,000 to 30,000 people disappeared, and in Chile and other places, thousands upon thousands of people endured torture, death squads, and all sorts of horror, and no one was prohibited from selling food and medicine to them.

We would not have been in favor of such a prohibition, regardless of the government in power, because this kind of measure goes against the people, the elderly, and the men and women. This situation is as inhumane as atomic weapons. [applause]

Forgive me for overextending myself, but I deem it necessary to bring these to your attention, because there is much misinformation about how our system works, how the people participate, how the people decide their future, how the people govern, how our institutions function with emphasis on popular participation [words indistinct] democracy here, where once there were five slaves for each free man, or five vassals [words indistinct] in our country there are no slaves and no vassals [words indistinct] we are all equal citizens, with equal opportunities and each person is equally entitled to dignity and respect.

These are the things we have defended all of these years and if we had not done it this way, there would have been no Cuban Revolution — no Cuba which has had to withstand aggression and hostility from the world's most powerful country, the most powerful country in history, economicaly, politicaly, and militarily. This is why I admire the attitude of men and women like you who save your country's honor, you and the North American people. The people can be fooled part of the time, but the people cannot be fooled all the time, and nowadays many people think differently. Even businessmen are against the blockade, not only because of what the Cuban market can represent from a material point of view, but because a businessman is a man of business and he does not like to be kept from competing.

North Americans are also prohibited from visiting Cuba. Lucius Walker knows this very well. A bus could not cross the border. Where is democracy? This was a bus to help the people. It was seen as a bomb. Great men with lots of courage set a great example. They created awareness, spread the idea that [words indistinct] is not rational, is not fair, and created the basis for an eternal brotherhood between our people.

We regard you people and your actions as the true expression of the North American people's best virtues and qualities. And this rewards us, who have never blamed the American people for anything, not even

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those who have been confused and deceived, that the people are not to blame. The North Americans who have visited our country know that that is is where they are most respected and where they are treated with the greatest consideration. In Cuba, not a single offensive word is pronounced against U.S. citizens. This is the result of education. [applause] [words indistinct] it has been said that Jesus Christ said to Peter: You are Peter and upon this rock I will build my church. We can say that Peter is a friend of Cuba, that he is a pastor of peace, to whom Christ said [passage indistinct, interference by other station] [passage omitted on pastors' statements].

I hope that during this visit there will be a lunch at the White House. [audience laughs] I asked you to talk about the situation of the church in Cuba, a place where I [words indistinct] I was born in a family that had [words indistinct] resources. My father was a landowner [words indistinct] honorable too. He was a very generous man, and he was from Spain and practically illiterate. My mother was also a peasant woman. They worked hard during the early years of the Cuban Republic [words indistinct] the economic situation [words indistinct] relatively significant. They sent me to school in the city. I do not want this story to be long. The teacher convinced my parents to send me to the city, where I spent some years [words indistinct] [audience laughs].

I made certain sacrifices [words indistinct] everybody [words indistinct] learned the multiplication tables until, as a consequence of my own [words indistinct] they sent me to a school [words indistinct] I studied for three years [words indistinct] it was a different time. There were no [words indistinct] the other religions were hardly mentioned. If Protestants were mentioned, they said that they were worse than [words indistinct] [audience laughs] Lucifer. I remembered [words indistinct] happening [words indistinct] there is a characteristic [passage indistinct] what they wanted me to do was that I believe [words indistinct] not me. In addition, I do not want them to say that [words indistinct] a feeling. I do not want [words indistinct] it is too hard. I remember that there were some spiritual exercises [words indistinct] of how [words indistinct] the world were [words indistinct] and a fly every thousand years [words indistinct] with its mouth [words indistinct] the party will be over, and we [words indistinct] will continue to live free [words indistinct] that the United Nations would not agree with that [words indistinct] a flagrant violation of its [words indistinct] what are we? [words indistinct] men are capable of great things. Man is a creature that comes to the world without anyone having consulted him [words indistinct] he is brought into the world [words indistinct] we commit any [words indistinct] we are condemned to [words indistinct] hell. I wanted to believe, but they were never able to really teach me any religious conviction [words indistinct] it was a formal teaching. That is why I could later learn of other methods to teach religion, which could persuade [words indistinct] good and evil. I did not have that privilege of [words indistinct] religious teachings were very [words indistinct] 12 years, I had very good teachers and very good [words indistinct] the church and the religious teachings. Throughout my life, as I have become more aware of the lack of unity in the churches, I accepted a certain ecumenical spirit, which even though I am a gentleman [words indistinct] at least I am not as old as Methuselah, I have been able to notice changes in the last 30 [words indistinct] I have been able to feel more ecumenical [words indistinct] less prejudicial. Actually in Cuba, as a Spanish colony, the Catholic Church [words indistinct] was the church of the wealthy; it was not the church of the poor; it was not the church of the peasants; it was not the church of the poor. Social conflicts erupted, and the high Catholic hierarchy took positions against the Revolution. Those wealthy classes [words indistinct] there were contradictions. There were problems, but I think we did the right thiing, we handled it correctly [words indistinct] because we did not, under any circumstances, want the Revolution to be presented as being against the Church. That was the basic idea. If a priest was ever in jail for a minimum time, we released him. If you, as you probably do, know the history of the Revolution, you know that the revolutionaries [words indistinct] the Church [passage indistinct].

There were some exceptions. Some were excepted because of the military service and blood donations. These problems, which clashed directly with the (?state), not only in Cuba [words indistinct] the situation has improved lately. We would have liked to have a Catholic Church such as yours. In other countries there is the theology of liberation [words indistinct]. Despite this, there is a legal and constitutional respect over the [word indistinct]. At a certain time and because of these conflicts, we were very strict in the party and the believers were not militant. I should say that this situation, fortunately, has been left behind. I wish to tell you that we had to [words indistinct] a great deal. Marxist theories and atheism very nearly became a religion in themselves. We understood that the immense majority of people of all kinds, including St. Lazarus fanatics, whom the Catholic Church criticized, were believers. And the majority of the people were revolutionaries, but were being discriminated against. We fought a battle so the believers could [words indistinct]. We won the battle, and believers were admitted into the party. [Passage indistinct] in relation to state [words indistinct] Reverend Swaggart as the result of the Assembly. There has been no problem [words indistinct] with certain measures. All

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of these problems have been overcome. The revolution has been criticized in the churches sometimes, yet we have been very patient and very tolerant. [words indistinct] We have left the Catholic Church alone. During the war of independence, the Catholic Church [words indistinct] there was that kind of [words indistinct]. We are satisfied over the policy we have (?followed) with the churches.

All of this has been improving. Let us say that you and Lucio have been a sort of heroes. This policy has (?appealed) to our hearts and helped us [words indistinct] is no religion. No one knows why, but there have been many stories about the Church, since the heroic times of Rome until the Church became the official church, until the Catholic Church became powerful. [Passage indistinct] until hegemony and [words indistinct] arrived [words indistinct]. There were uprisings [words indistinct] and terrible wars in the Church for religious reasons, which fortunately are gone, not only from the Christian churches, but the Muslim churches and Buddhism and Hinduism as well. But there is a trend among the Christian and non-Christian churches. I am of the opinion — which I do not know whether or not any of you shares — that this Pope, although in his [words indistinct], has favored the principle of ecumenism by visiting other countries. [words indistinct] The extant Pope is one of the authorities [words indistinct].

We agree on certain things and disagree on others. He does not appear to fully understand the problem of population explosion. The priests' marriage, the absence of women (?from the priesthood) are points [words indistinct]. He speaks of poverty and the social situation, points with which he and us agree. At this very moment, we can say that the Catholic Church has (?insisted) on these historic problems and the need for coexistence. Our Constitution states a sacred principle, respect for the beliefs [words indistinct], the greatest of respect for the churches, and excellent relations with many churches. I reiterate that the example you have set has contributed to [words indistinct] hunger strike at the border. Lucio was on a hunger strike [words indistinct] out of solidarity. And I think that [words indistinct] regardless of the laws and philosophy that anyone have believed in. I have always regarded Christ as one of the greatest communists since when he multiplied the fish and the bread, which is the same thing we want to do. Also, he paid the man who had worked two hours only the same salary as to those who had worked four, six, or eight hours. This is the same thing we want to do. He expelled the traders from the Temple. This is also what we want to do. He told that story about the camel passing through the eye of a needle [the pastors laugh], a story which has been interpreted in so many ways, that the word camel meant one thing, that the word needle meant some other thing. It would fit us very well in Spanish: It is easier for a camel to go through the eye of a needle than for a rich man to enter the Kingdom of God. He did not deny that a rich man could enter the kingdom. Instead, he said that it was easier for a camel to go through the eye of the needle. [Words indistinct]

We hold you people in a special regard. We always receive you people with much love. You are teaching us to be Christians. [passage omitted]

Further Reports, Comments on Castro's New York Visit

Reporter on Castro's Activities

PA2710154395 Havana Radio Rebelde Network in Spanish 1255 GMT 27 Oct 95

[Telephone report by Carlos Saravia Marrero from Mexico City; from the "Doing Radio" newscast — live]

[FBIS Translated Text] Thank you very much, Garrido. Greetings to you, and of course, also to the "Doing Radio" newscast listeners. We are in Mexico City, we arrived at about 1200 yesterday, 1400 New York time, we are, fortunately, en route to Cuba; we will be back at noon on Sunday, I think. No, I meant to say at noon tomorrow. We are here recalling the activities of that battle that our country won in New York. As our commander in chief said, one of the most important battles of the past years waged by the Cuban revolution.

During his intense schedule in New York he was able to make contacts, according to many comrades, with the best heavyweights of New York in the fields of politics, journalism, and business. On our part, we are very pleased with all the activities that involved our commander in chief in New York, not only because of his visit itself, which had its risks, as everyone knows, but because of the true results achieved by the visit of the chief of the Cuban revolution to New York. This is so because of the results achieved and the contacts he made.

[Garrido] Carlos, there is no doubt that there are still major repercussions. For our official organ, GRANMA, this has been the subject of front page reports. Special envoy Comrade [Robireno] published an extensive report on this. He was there with you.

[Savaria] Yes, he is here with me en route to Cuba.

[Garrido] He is with you on your way home. Send greetings to him on your behalf. There is a huge red headline that reads: Victory, which is between exclamation marks and with a [word indistinct] in red

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is the picture of Fidel showing a huge boxing glove he received during his meeting with the Puerto Ricans of Bronx, New York. There is much information in this regard. There are other reports inside this newspaper. There is a report accompanied by pictures on pages 4 and 5 regarding other activities including Fidel's speech at the United Nations showing him at the podium in that solemn room; his meetings with various personalities, visits to the facilities of various media and television channels. As you said, this has had ample repercussions in the world and of course, in this country we are pleased to know that his presence there was important. Someone described him as the best of our ambassadors to the United States.

[Saravia] I want to tell you that many U.S. citizens and many different media representatives from various geographical points who attended this 50th anniversary of the United Nations in New York commented that Fidel's speech lasted half as long as Clinton's. They pointed out that he was the one who dotted the i's and crossed the t's on the need for democratization of the United Nations and the need for rich countries to achieve equity in the distribution of their wealth for the sake of the third world.

This speech, although it was much shorter than Clinton's, specifically, half as long, was the most applauded at the United Nations that day. A journalist told me Fidel was the most dignified delegate; the only one who can say things the way they are with the greatest dignity and courage, because he is right. All Cubans know what happened in New York, in other parts...[pauses] in fact, there are other things that are not yet known; we could talk about this later.

[Garrido] That is what I wanted to ask you...

[Saravia, interrupting] Fidel described the attention given him by U.S. authorities to facilitate all his mobilizations in New York as being very excellent. In fact, in his last activity in New York Fidel posed for pictures with the security apparatus of the secret service and the police that also followed his activities, in other words, that gave him protection to allow the head of [?mission] to move around in New York.

I will tell you honestly that the efforts of those who mounted a show to ensure the failure of Fidel's visit to New York boomeranged, because all their propaganda achieved the opposite, because Fidel left New York with an image that I think will generate comments for not only a month but for the rest of the year. For a long time, there will be comments on this courageous visit by Fidel. These were glory days for Cuba.

[Garrido] Carlitos, we will wait for you return. We are certain you will bring many details and accounts on what occurred during your next contact with us here in Cuba.

[Saravia] Thank you, Garrido, we will be back with you on 30 or 31 October to talk a little more with "Doing Radio" newscast listeners. Thank you very much for calling me. The other members of the Cuban media delegation are very pleased with the fact that we are returning to Cuba.

Interests Section Head Views Visit

PA2810205795 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Oct 95

[Interview with Fernando Ramirez de Estenoz, head of the Cuban Interests Section in the United States, by Irma Caceres; from the "Evening Information Review;" date and place not given — recorded]

[FBIS Translated Text] [Caceres] What can you tell us about Fidel Castro's meetings here in the United States?

[Ramirez] What was conveyed here were the feelings of the majority of the Latin American community in the United States. Regardless of the political-ideological positions, many of them have a feeling of friendship and brotherhood toward Cuba. Most of them are against the blockade and demand the restoration of relations with Cuba. The importance of this meeting is that for the first time as a result of an activity of this kind — the meeting was totally spontaneous and was not previously organized — Latin Americans in the United States showed they were able to organize an event to show their support for the people of Cuba, especially for the [words indistinct]. The Cuban president met with businessmen and members of the academic world. Actually all the meetings in which we were able to participate [words indistinct] strengthen relations between the Latin American communities with Cuba. There has been a great interest and a great willingness to learn about Cuba's reality and to establish contacts with our country.

Havana Reports Media Coverage of Visit

PA2910234195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Oct 95

[From the "NTV" newscast]

[FBIS Translated Text] THE NEW YORK TIMES and other important publications today joined other U.S. media that have received Cuban President Fidel Castro who is in New York on occasion of the 50th anniversary of the United Nations.

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The Cuban president spoke with the directors of that newspaper, the weekly TIME, and BUSINESS WEEK.

[Begin Castro recording, in progress] ...elect. You could say the same. [words indistinct]. National deputies must be elected directly by the people and they must obtain more than 50 percent of the votes and they are the ones who elect the Council of State and the president of the Council of State.

Cuba does not have a presidentialist regime. President Clinton has much more power than I do, and generally speaking, the Latin American presidents have more power than I do.

I, as president of the Council of State, cannot appoint ambassadors, or ministers, or many other officials that in other countries are appointed by the president. In Cuba, these people must be elected by the Council of State. This is a fact. [end recording]

THE WALL STREET JOURNAL has published a report on a visit the Cuban president made to that newspaper the day before.

Yesterday, Fidel welcomed at the Cuban mission in the United Nations, a delegation of Pastors for Peace, an organization that expresses solidarity toward our country.

UN observers today commented on the impact of the visit by the Cuban leader and observed that without a doubt it has taken the spotlight of the 50th anniversary commemoration. Undoubtedly, they said, he was the statesman most sought by the big U.S. media and by the more 2000 special correspondents and permanent correspondents who covered the meeting.

THE NEW YORK TIMES covered the meeting the Cuban president had Monday with the Puerto Rican community at Jimmy's Bronx Cafe, the largest in the district. The meeting was sponsored by Congressman Jose Serrano and the National Council of Puerto Rican Businessmen.

[Begin Castro recording] There is, among other things, the language that unites us, a language that can express feelings like those that have been expressed here this evening. [end recording]

In a exclusive interview with PRENSA LATINA, after pointing out the expressions of friendship he found in New York and his good relations with the statesmen present at the United Nations, Fidel affirmed: I have reasons for feeling satisfied. This warm welcome, he noted, is encouraging. I have seen friends from everywhere. I have not seen adversaries. I know they exist, that they make noise and are working, but all I have seen is warmth, friendship, receptiveness.

Fidel also evaluated his contacts with chiefs of state and government at the United Nations as very positive. He described the same way the various meetings he had on foreign relations, at the Council [not further identified], with U.S. personalities and businessmen.

Today the United Nations is celebrating the 50th anniversary of its foundation.

Representative Answers U.S. Under Secretary on FAO

PA2810201895 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Oct 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Juan Nuiri Sanchez, permanent Cuban representative to the FAO [UN Food and Agriculture Organization] who was recently elected one of the vice presidents of the organization, defended the existence of the international organization he currently represents at the 28th General Conference held in Rome, Italy.

If the FAO did not exist, it would have to be created, Nuiri said. He said not to contribute to its strengthening and development is a crime against humanity.

This was the Cuban representative's answer to the statements made by U.S. Deputy Agriculture Secretary Richard Rominger, who stated his country's desire to reduce budgets for the next two years and proposed the merging of the FAO with the International Institute for Agriculture Trade, an OAS dependency, which is based in Costa Rica.

The Cuban representative said that the FAO must continue to fulfill the objectives we adopted 50 years ago and persist in the fight against poverty and hunger in the world.

Haiti

Werleigh Ratification 'Stuck' in Parliament

PA2710211195 Port-au-Prince Radio Metropole in French 1045 GMT 27 Oct 95

[From the "Morning" newscast]

[FBIS Translated Excerpt] The ratification process of the choice for prime minister-designate, Mrs. Claudette Werleigh, has become stuck in the Haitian Parliament. Mrs. Werleigh presented herself to Parliament on 26 October in order to bring her papers to Parliament for her ratification. The list of papers she presented was proved to be incomplete. So, the process has stopped.

Let us listen to a report by Edner Jean:

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[Begin Jean recording] At this stage of the procedure, Mrs. Claudette Werleigh must strictly conform to provisions of the Constitution. Article 157 of the fundamental law provides in fact that the person designated to be prime minister must be Haitian by origin and never have given up his or her nationality, have properties in Haiti or practise a profession there, have lived in the country for five consecutive years, and have received quietus for his or her management if he or she was in charge of public coffers.

A first analysis of the files brought in this Thursday by Mrs. Werleigh at the Chamber of Deputies shows that there are missing papers. [passage omitted] [end recording]

Employees Denounce Embezzlement at Interior Ministry

PA2710214895 Port-au-Prince Radio Metropole in French 1800 GMT 27 Oct 95

[FBIS Translated Excerpt] At the Ministry of the Interior, the situation is still the same. The doors of this institution, which were closed yesterday by support employees, were still closed this Friday. The support personnel of the Ministry of the Interior — let us recall it — denounce embezzlement and demand the intervention of the president of the Republic. [passage omitted]

CEP Secretary General Said To Ask For Replacement

PA2710214695 Port-au-Prince Radio Metropole in French 1045 GMT 27 Oct 95

[From "the Morning Newscast"]

[FBIS Translated Excerpt] The secretary general of the Provisional Electoral Council [CEP], Mrs. Marie-Laurence Jocelyn Lassegue, has allegedly asked the Senate of the Republic to proceed to replace her within this institution. The source that reported this information did not reveal the motives for this possible decision, which occurs at a moment when the electoral institution is getting ready to set up the plans of action necessary for the holding of presidential elections next December.

It should be pointed out that President Aristide met yesterday at the National Palace with the CEP members about the holding of presidential elections. On this occasion, the head of state assured the CEP of his support and of that of the government for the realization of these elections while explaining that it is the responsibility of the electoral institution to take the necessary measures to carry out the task, which is entrusted to it, to a successful conclusion. [passage omitted]

Correction to Students Protest Education Plan

PA2610145995

The following correction pertains to the item headlined "Students Protest Education Plan of Ministry Officials," published in the 26 October Latin America DAILY REPORT, page 3:

Please make sourceline read ...Port-au-Prince Signal FM Radio in Creole 1130 GMT 25 Oct 95... (correcting month)

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Zedillo: Economic Recovery 'True Goal' of Administration

PA3010021695 Mexico City Radio Red Network in Spanish 0000 GMT 26 Oct 95

[Report by Victor Manuel Subersa; from the "Night Monitor" newscast]

[FBIS Translated Text] The president of the Republic on the morning of 25 October said that economic growth is essential for the generation jobs and the implementation of a social policy to fight backwardness and poverty. Speaking before economists at the Mining Palace in Mexico City, Zedillo noted that the stabilization program launched at the onset of his administration is not in itself the goal, because the true goal is recovery. The chief executive pointed out that domestic saving is the best way to prevent recurrent crises:

[Begin Zedillo recording] Economic growth is the main tool to fight poverty and reduce inequalities, and it is the main foundation for a social policy to upgrade the living standards of all Mexicans. [end recording]

Zedillo said that Mexico is advancing in its journey to democracy with its willingness to dialogue. He said that discussions are more intense and criticisms are made but this by no means weaken the institutions.

At the opening of this 11th National Congress of the Economists Association, its president Enrique Del Val Blanco said that economic growth is needed in our country but it will not be enough to achieve social justice. He added that there are no automatic mechanisms to achieve an equitable distribution of wealth. Such mechanisms, Del Val pointed out, must be established in Mexico to ensure they operate permanently.

Before the president of the Republic, Del Val noted that Mexico must learn a lesson; obviously, the lesson produced by the crisis that is still facing Mexicans:

[Begin Del Val] One of the clearest and most objective lessons is that little, very little can be expected from abroad without a policy to deal with the opportunities and the risks that this entails. Moreover, we must take into account and not forget that the interests of capital are not moral but monetary. [end recording]

He added that instead of talking about economic models, the analysis should focus on the instruments and policies pertaining to their application. The idea is to determine whether they are in keeping with the needs of Mexico's population. Del Val added that the times of economic and political fundamentalisms and dogmas are over. He noted that Mexico should gain awareness of what is necessary and of what foreign capital represents, because they must be viewed in relation to the crisis and the economic problems facing our country.

President, Business Leaders Meet on Economic Situation

PA2810021895 Mexico City Radio Red Network in Spanish 0000 GMT 27 Oct 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] [Unidentified announcer] Following the meeting held at the Labor Secretariat by the representatives of the sectors that have signed the economic pact, the representatives of the business sector attended an urgent meeting summoned at Los Pinos Presidential Residence. They went there to talk to the president of the republic to analyze the economic situation. We listened to a report Victor Manuel Suberza filed a few minutes after noon on 26 October on the arrival of luxurious cars transporting the leaders of the national private sector.

[Suberza] The Presidency Social Communications Directorate reported on 25 October that the agenda for 26 October is private. By noon, as you already mentioned, there was a major commotion outside Los Pinos. Several cars were parking outside door No. 1. The leaders of several business organizations were inside the vehicles.

Victor Manuel Terrones, Canacintra [National Association of Manufacturers] leader, was seriously awaiting his turn to enter Los Pinos. As he saw the reporters who wanted to talk to him, he did not even bother to roll down the windows of his Suburban minivan. Meanwhile, Canaco [National Chamber of Commerce] leader Salvador Lopez Negrete, who kindly got out of his metallic blue Grand Marquis, confirmed the meeting about to begin had been urgently summoned. He even said he did not know what issues were going to be discussed. In the brief interview Lopez granted, other questions were asked:

[Begin recording] [Unidentified reporter] What about the new pact?

[Lopez] The new pact? The sectors have agreed the new pact has to deal with—this is our concerted opinion—the economic reactivation and the recovery of jobs. All sectors agree on this point. All the sectorial negotiations will be subjected to the fulfillment of the main objective: The recovery of jobs and the economy.

[Reporter] Will this new consensus be reached soon?

[Lopez] I do not think so, because there is a great deal to be discussed and examine. We believe it will be reached

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in the second half of November or by late November. [end recording]

[Suberza] Hector Larios Santillana, Business Coordinating Council president, entered Los Pinos by 1200. German Gonzalez Quintero, Concanaco [Confederation of National Chambers of Commerce] president, and the other business leaders we already mentioned were already inside Los Pinos. By then, we had been informed the peso was losing ground vis-a-vis the dollar. In addition, the securities market was dropping significantly.

Meanwhile, reporters, photographers, cameramen, and foreign correspondents were awaiting the exit of those who were meeting there so as to obtain information on the meeting among businessmen and the federal executive branch. The meeting lasted two hours and 10 minutes, and we were able to officially learn that the meeting had been scheduled since last week.

Regarding the issues discussed there and the cabinet secretaries who probably attended the meeting, the Presidency Social Communications Directorate disclosed nothing. At the end of the meeting, Carlos Abascal Carranza, Coparmex [Employers Confederation of the Mexican Republic] leader, limited himself to saying that businessmen and the government agree the next consensus must be geared toward recovering the economy and creating sources of jobs:

[Begin recording] [Abascal] We are going in that direction, everything at its time.

[Unidentified reporter] The exchange rate is increasing considerably. [sentence as heard] What do you think is the reason?

[Abascal] There is some uncertainty in the markets; thus, the sectors are holding talks to seek alternatives to the many problems.

[Reporter] What is the source of that uncertainty?

[Abascal] Various domestic and foreign factors.

[Reporter] For instance?

[Abascal] The New York Stock Exchange fell. You know we are feeling repercussions in our own securities market due to problems in Canada. In short....

[Reporter, interrupting] [Words indistinct] red economic figures?

[Abascal] No, I do not think so. Let us hope it is only a transition.

[Reporter] When will the pact be signed?

[Abascal] We do not have a date yet; we are holding talks.

[Reporter] What did the president tell you?

[Abascal] We agree the consensus must be basically geared toward recovering the economy and jobs. The parties fully agree on this issue. [end recording]

[Suberza] This is how the day went at Los Pinos. The federal executive branch thus kept its appointments included in the private agenda. This is what we have to report. We will remain alert to what is happening outside door No. 1 and door No. 4 regarding the management of the economy in this very special day.

[Announcer] That is right, Victor Manuel. We must not ignore what Canaco leader Lopez said that it will take a few weeks to fully discuss the most significant aspects of the consensus. He estimated that by the second half of November, in about a month, we could launch the new phase of the economic consensus.

Commerce Secretary Acknowledges Economic Recession

PA2610152995 Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 24

[Report by Lourdes Gonzalez Perez]

[FBIS Translated Text] Herminio Blanco Mendoza, secretary of commerce and industrial development, has acknowledged that Mexico is confronting today an economic recession. He said, however, that the worst effects of the crisis have been brought under control.

He stated that the country has already laid the foundations for a sustained growth.

On his return from Cancun, where he opened the 12th Convention of the Assembly Plant Industry, the secretary of Secofi [Secretariat of Commerce and Industrial Development] called on the private sector to invest in Mexico and to fulfill their responsibility to promote investment, "so as to resume the country's growth."

Blanco Mendoza affirmed that the stabilization program drafted by the federal government has been effective in correcting the crisis.

He highlighted the reduction of inflationary levels; the reduction in interest rates — even though an upward trend was registered in recent weeks — as well as the positive evolution of exports and the growing commercial surplus of the country.

The secretary remarked that there is evidence the crisis has hit rock bottom "regarding production and employment."

In this regard, Herminio Blanco Mendoza noted that, after dropping each month during the January-July

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period, the number of contributors to the Mexican Social Security Institute (IMSS) rose during the August-September period.

In spite of all this, he predicted an economic growth at the close of the second half of the year compared to the first semester figures.

This growth, the official underscored, will result from the dynamic sales abroad.

In addition, Blanco Mendoza added that the utilization of 75 percent of public spending programmed will give greater momentum to the economy as a whole.

He reiterated that for 1996, at least a 3-percent growth rate can be expected. Next year we will have balanced finances, which is an additional incentive.

The secretary of commerce and industrial development highlighted the competitiveness the country has achieved in recent years as a result of the commercial opening, deregulation, the privatization process, a more competitive exchange rate, among others, providing additional elements to resume growth.

Thus, he reiterated his appeal to investors who have not brought their capital to Mexico to take advantage of the "great opportunities the country has to offer," especially now that it has a strong foundation for a sustained growth.

Government Said To Lack Funds To Meet Debts

PA2910014395 Mexico City EL FINANCIERO in Spanish 26 Oct 95 p 4

[Report by Alicia Salgado and Leticia Rodriguez]

[FBIS Translated Text] The Mexican Government will not use Federal Reserve funds to cover the $2.3 billion that it must pay on Monday and that represents part of the short-term line the U.S. Government established on 2 February to support the country's solvency.

Treasury sources reported the above when they indicated "the government lacks the resources" to pay in full the U.S. Government's short-term line, because the accumulation of foreign exchange is not enough to make prepayments, and the U.S. Treasury has allowed the possibility of "refinancing" part of the line and changing it into a "short-term swap" [preceding word in English].

Referring to this, the sources said Mexico owes the United States $11.8 billion, and it has been agreed that the amortization should begin in June 1997 and end on December 2000, in quarterly amounts.

Moreover, the sources commented that the international reserve's evolution —following the level of foreign currency accumulation registered as of 15 September, meaning $15.14 billion — registered a reduction in the last three weeks due to four causes:

1. A lower flow of foreign capital, which involved $5.06 billion between July and August, including approximately $2 billion that the Mexican Government placed in the international debt markets. The flow has been insufficient to continue an accumulation since 15 September.

2. The early amortization of $700 million to the $2 billion short-term line that is due on 30 October, after three refinancings and after the balance to refinance was set at $1.3 billion.

3. The Mexican Government's sale of foreign currency to settle the foreign debt service, including Brady bonds, totaling almost $700 million.

4. Lower foreign currency revenues resulting from net foreign trade operations by the public sector, including Pemex [Mexican Petroleum], in the last three weeks.

Consulted sources indicated that the international reserves' strengthening is foreseen because a disbursement from the IMF is expected in the first week of November, for an agreed $1.7 billion, plus the liquidation of the $700 million placed in the German market in September, which is expected to occur in a matter of days.

The $2.4 billion to strengthen the reserves and resources can only be used to amortize Tesobonos [Treasury Bonds] and other dollar-denominated short-term debts of the Mexican Government and its agencies, as established in the bilateral agreement.

It is appropriate to mention what the sources said: The Mexican Government had not failed to punctually liquidate the line's interests as of September. The Foreign Exchange Stabilization Fund has received $435 million in interest, and the Federal Reserve has received $33.4 million as of early October.

Last, the sources recognized the international reserve level remains lower than the figures registered in three years before the December 1994 crisis. (The accumulation totaled $17.5 billion in December 1991; it totaled $18.6 billion in December 1992; and it reached the record figure of $24.5 billion in December 1993.)

Nevertheless, the current balance of $13.6 billion suffices to cover approximately three months' worth of imports; current reserves exceed the public sector's short-term foreign debt, including the Tesobonos, by an adequate margin; and reserves are not used to support the foreign currency rate, the policy of floating the currency, or the prevailing decision that the exchange rate will be determined by the market.

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National and foreign brokerage analysts consider it "unnecessary" for the government to liquidate the $1.3 billion matured debt by using the reserve, and they believe U.S. Senator Alfonse D'Amato's demand has political and electoral connotations.

They said: Mexico can replace — in fact, it will be done — the line with a mid-term swap [preceding word in English], and a new debt placement in the international markets, with a maturity in excess of five years, is expected between November and December. This will allow the government to continue the strategy of replacing short-term liabilities with mid-term and long-term liabilities.

Given the instability which has prevailed in financial markets, the Bank of Mexico [Banxico] corroborated yesterday that it is not artificially intervening to maintain the foreign exchange rate.

Roberto Merino, manager of Banxico's international economic affairs, yesterday participated in the 11th National Economists' Congress and said "variations" registered in the foreign exchange rate "are normal," and "we must get used to them because they are characteristic of the foreign currency floating plan that was adopted."

He ratified the Mexican Government's decision not to establish control of speculating capital and indicated the economic and financial stabilization program was designed by the Mexican Government and not upon recommendations from the IMF.

Merino participated on behalf of Deputy Governor Ariel Buira and said the international monetary system's current situation is far from satisfactory, given the highly volatile and frequent changes in the foreign exchange rates.

Nevertheless, Merino indicated: "The possibility of establishing a more stable foreign exchange system to benefit the world's economy has not been ruled out; and it requires that the industrialized countries' economic policy be handled in abidance by certain minimal rules."

He said the IMF's supervision of industrialized countries' policies has not been efficient given the nations' reluctance to modify policies that respond to the international community's interests.

Merino said the scant reserves available to developing nations with low incomes makes them vulnerable to any contingency because, given the difficulty to obtain foreign credit, they have a minimum margin to maneuver in case payment problems arise. This compels them to adjust their internal demand, provoking losses in the investment rate, negative economic growth, and high levels of poverty and unemployment.

Colosio Assassin Accuses Ex-Policeman of Involvement

PA2810223895 Mexico City LA JORNADA in Spanish 28 Oct 95

[Report by Elena Gallegos and Juan Manuel Venegas; received via Internet]

[FBIS Translated Text] Mario Aburto Martinez was at last able to speak to the lawyers representing his family in Los Angeles. Peter Schey, who heads the team, was with Aburto in Almoloya Prison just over seven hours. Schey said Aburto referred "al[[the] time" [preceding two words published in English] to Fernando de la Sota Rodalliguez and said he was convinced that the former policeman is involved in the plot that ended Luis Donaldo Colosio's life.

Mario Aburto fears for his life; that is why he does not want to cooperate with the investigations. He repeatedly said: "No, not now; perhaps when Ernesto Zedillo's six-year term ends. I know I am going to spend plenty of time here."

Public opinion knows that when Mario Aburto was being questioned — "tortured" he says — in Tijuana, one of the men who took his statement told him at one point that President Carlos Salinas de Gortari was on the telephone and wanted to speak to him.

Attorney Schey learned yesterday that the threatening man who wanted Aburto to take the call, the man who struck him and who practically led his interrogation assisted by presidential staff military officers, is none other than that Fernando de la Sota.

It is not known for sure, but it is believed that Aburto had not told anyone about this detail. At the time — according to the testimony he gave yesterday in Almoloya Prison — that he was beaten into giving the statement that made him a "solitary assassin," Aburto did not know the name of his captors.

Nevertheless, during the hearing in Toluca's First Court, when his captors were summoned to confront him, he learned that it was De la Sota, the man whose face he had not forgotten.

Aburto is also well aware that at the crime scene, Lomas Taurinas, he saw him [De la Sota] bearing a weapon. De la Sota was only in charge of the banners and public order.

It must be remembered that De la Sota is charged with falsifying statements and his police record has been

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international news in such newspapers as THE NEW YORK TIMES. The agent of the former Federal Security Directorate was in charge of the Counterespionage Department there, took courses from the Israeli Mosad, and received instruction in the United States, France, and Germany, among many other things.

In the very, but very long conversation that Aburto held with Schey, present were Dr. Jorge Mancillas and his sister-in-law Alma, wife of his brother Rafael. Mario repeatedly mentioned De la Sota.

According to the Los Angeles lawyer, "he (Aburto) thinks De la Sota is involved."

He showed a small sketch that Mario personally made on some white paper. According to the basic sketch that Aburto clumsily drew showing each person's position, he managed to see De la Sota — "impossible to forget him due to his girth" — was beside Colosio an instant before the shots were heard.

Aburto asserts that he was a few meters ahead, close to where Vicente Mayoral was walking and, when the shots rang out, he turned around and saw De la Sota with a gun in his hand. This is what he said yesterday to Schey, with whom he talked starting at 1300 and ending after 2000. The lawyer agreed to give LA JORNADA his comments about the meeting afterwards.

Aburto again claimed he was innocent. However, this time he gave another version about why he purchased the gun. Schey said the family told the same story in Los Angeles and the Aburtos have never exchanged their versions about the issue.

The lawyer commented: For the time being, our interest as part of the Los Angeles Center for Human Rights and Constitutional Laws is to represent the family so it may obtain asylum in the United States, but this is closely related to the solution of this murder.

Schey, who has had the opportunity to review the case, considers "extremely grave" the gaps in the preliminary investigation. He opted not to comment about the current investigation; the only thing he said is that a lot, quite a lot of questions must be answered.

Alma remained crestfallen during the conversation. She barely spoke, only as necessary to clearly state that Mario, her husband's brother, is the one who is at Almoloya de Juarez Prison. When she tried to tell what she felt when she saw him all she managed to say was: "Good, very good." She began to weep and could not continue. Alma believes that Mario is innocent and that he is involved in a complicated situation from which it will be very hard to extricate himself.

Reportage on Detention, Release of Alleged EZLN Leader

Official on Motion To Dismiss Case

PA2710142195 Mexico City XEW Television Network in Spanish 0400 GMT 27 Oct 95

[Telephone interview with Juan Ignacio Zavala, director of the Public Affairs Office of the Attorney General's Office, by anchorman Jacobo Zabludovsky in Mexico City on 26 October; from the "24 Hours" newscast — live relay]

[FBIS Translated Text] [Zabludovsky] The Seventh District criminal judge in the Federal District today indicted Fernando Yanez Munoz, also known as Commander German, for the crimes of possession of weapons exclusively used by the Army, Navy and Air Force, as well as for the transportation of cartridges. However, the judge acquitted him of the charges against health. Anyway, this is partly history because tonight the Attorney General's Office [PGR] presented a motion to dismiss the case of Yanez Munoz, alleged Commander German of the EZLN [Zapatist National Liberation Army].

PGR authorities announced this request for dismissal means they will drop the charges against the alleged rebel leader Yanez Munoz. He was arrested last week for possession of weapons without the corresponding permit.

The PGR tonight requested that the case be dismissed, a spokesman for Attorney General Antonio Lozano stated. This was confirmed by a PGR bulletin issued a few minutes ago. This simply means that Mr. Yanez Munoz, known as Commander German, will be released.

We have Juan Ignacio Zavala, director of the PGR Public Affairs Office, on line four. Mr. Zavala, good evening.

[Zavala] Good evening.

[Zabludovsky] Mr. Zavala, we have made contact with you to get a better understanding of this dismissal procedure regarding the arrest of Mr. Fernando Yanez Munoz. Could you please explain this to us?

[Zavala] Today, the seventh district judge formally indicted Yanez Munoz for possession of weapons. In addition, Yanez Munoz yesterday presented a writ to the judge, in which he claims to be under the protection of the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas, given that he knew about an arrest warrant issued against him. The PGR believes in this argument and, in accordance to the request he made to the Harmony and Peace Commission, it requested the

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judge to dismiss the case on the basis of some article of the Federal Code on Penal Procedures.

It is now up to the judge to make a decision regarding the dismissal request in this case. The judge will decide if he will set Yanez Munoz free.

[Zabludovsky] Mr. Zavala, point number one: The reason for the dismissal request made by the PGR is that you consider Yanez Munoz made this alleged offense in good faith.

[Zavala] Not necessarily in good faith, but we believe he was protected by the Amnesty Law. By not telling us and finally telling the judge, we believe his argument is valid and requested that the case be dismissed.

[Zabludovsky] Does this mean that, according to this Amnesty Law, any crime they may commit after the law was issued also protects them?

[Zavala] Not necessarily. We are making an exception in this case. Precisely in today's bulletin, the PGR said it does not accept that the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas allows the perpetration of offenses after its promulgation. In this case, which is the first to emerge, we are acting in good faith and are requesting the judge to dismiss the case.

[Zabludovsky] The second question is: May the judge say no?

[Zavala] That is correct, Mr. Zabludovsky. This is now in the hands of the Seventh District judge, who will finally decide on this matter based on the law.

[Zabludovsky] Has this request been already sent to the judge?

[Zavala] That is correct. The judge received this request tonight and will surely make a decision tomorrow.

[Zabludovsky] Thank you very much, Mr. Zavala.

[Zavala] Thank you.

Authorities Release Alleged EZLN Leader

PA2710181995 Mexico City NOTIMEX in Spanish 1721 GMT 27 Oct 95

[FBIS Translated Text] Mexico City, 20 Oct [NOTIMEX] — Fernando Yanez Munoz, alleged leader of the Zapatist National Liberation Army [EZLN] who was arrested last Saturday, was released today after a judge decided to dismiss the case against him, judicial authorities have reported.

Yanez Munoz, alias commander "German," 51, was accused of possession of weapons exclusively used by the Mexican Armed Forces and last Thursday was formally indicted by a judge.

The alleged leader of the armed group, which operates in the southern State of Chiapas, was arrested in this capital in possession of an AK-47 rifle, a 9—mm gun, and 64 cartridges.

After the judicial decision was made public, Yanez Munoz left the Reclusorio Oriente Prison in this capital, where he had been confined.

Harmony, Peace Commission Reacts to Release

PA2810030195 Mexico City Radio Red Network in Spanish 0000 GMT 28 Oct 95

[Report by Gloria Hernandez; from "The Night Monitor" newscast]

[FBIS Translated Text] The Harmony and Peace Commission on Friday [27 October] reacted to the announcement of Fernando Yanez Munoz' release from Oriente prison.

[Begin Commission member Senator Heberto Castillo recording] It has truly been demonstrated again — and it is good for it to have happened at this time — that justice has finally triumphed. According to the reports we received, two patrol cars with three patrolmen aboard each had observed the barrel of a long firearm sticking out from the window of a car. [end recording]

The commission members agree that the release of Yanez Munoz, also known as Commander German, will make it possible to restore confidence in the government so the peace process in Chiapas can continue.

Party of the Democratic Revolution Senator Guillermo del Rio Obregon said this was an act of good faith on the part of the judicial authorities, confirming that the law is indeed being obeyed and that this will provide the necessary confidence to keep constructing peace in Chiapas. The senator said that Sub-commander Marcos should not blame the government for some policemen's error and that the occurrence should be seen as an isolated incident.

In this regard, Labor Party Deputy Jose Narro said that Commander German's release is positive and keeps the peace process from being interrupted in Chiapas. He said the judicial authorities showed common sense and good faith, that Yanez' release does not identify him as a Zapatist, that he sought protection under the concord law considering that a warrant of arrest against him had been issued on 9 February, and that, for this reason, he could claim the benefits of the concord law.

Senator Castillo, who announced he will remain in the Concord Commission, insisted that the law itself

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benefited German and that there was nothing else to discuss.

[Begin Castillo recording] I have made a (?compromise) with that stance, not to gain any benefit but to have the law complied with. [end recording]

On Tuesday, the Commission will make an assessment of the German case.

EZLN 'Red Alert' Not To Hinder Municipal Elections

PA3010040195 Mexico City LA JORNADA in Spanish 27 Oct 95 p 8

[Report by Juan Balboa]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 26 Oct — The State Electoral Commission (CEE) has said that the "red alert" issued by the Zapatist National Liberation Army (EZLN) will not change the schedule for the next special municipal elections in the municipalities of Ocosingo — located in the region of conflict — and Nicolas Ruiz, which according to PRI [Institutional Revolutionary Party] members is "100 percent" rebel.

The electoral authorities continue their work without paying attention to the "red alert" issued on Wednesday by the EZLN and have intensified preparations for the elections to take place on 5 November, according to political parties advisers and representatives .

"There is no EZLN or red alert for the CEE," said Juan Gonzalez, representative of the Party of the Democratic Revolution [PRD] and one of the delegates from political parties who travelled to Ocosingo to determine whether there are the conditions to carry out the elections.

The local Congress decided to hold municipal elections on the first week of November in the municipalities of Ocosingo and Nicolas Ruiz. No evaluation on the existing conditions was carried out at those two municipalities, they said.

Meanwhile, the CEE announced that the deadline for the registration of ballot papers for the special elections in Nicolas Ruiz, which is one of the two municipalities where elections will be held, ended on Wednesday at midnight.

The PRD was the only political party to register ballot papers in that municipality. Manuel de Jesus Ramirez Lopez is the PRD candidate who without a contender will become the next mayor of that municipality. The municipality is considered "100 percent rebel" by the PRI members.

On the other hand, Ausel Sanchez, the PRI candidate for elections in Angel Albino Corzo, and who was elected mayor, is still missing. PRI delegate in Chiapas Rodolfo Gonzalez today said that Sanchez will show up before taking charge by the end of December.

Four Parties Agree on National Political Dialogue Rules

PA2610154195 Mexico City LA JORNADA in Spanish 19 Oct 95 pp 1, 10

[Report by Elena Gallegos]

[FBIS Translated Excerpt] Under the premise that the state reform must constitute the change of the institutions through a democratic and concerted transition, in which its protagonists commit themselves to respect the laws and to subject themselves to them, the parliamentarian coordinators of the four political parties represented at the Chamber of Deputies on the evening of 18 October approved the agreement that establishes the procedures for the national political dialogue.

The PAN [National Action Party] pointed out that it will abide by the national agreement "without prejudice," while the PRI [Institutional Revolutionary Party] definitely complied with its position and was not reticent about the fact that the agenda includes economic policies. Today, the senators will revise the deputies' summoning.

In what seemed to be an allusion to the rumors on a dispute over the dialogue by Congress, the Government Secretariat, and the parties' leaders, Humberto Roque Villanueva pointed out: "We have never seen a conflict among our leaderships and our blocs. We have had to respect times and strategies; however, we do not foresee any dissension between what we agreed on and the respect we have toward our partisan leaderships."

He believed it was pertinent to explain that no institution could accept to be the exclusive protagonist and that the important thing now is to help move the country forward through a profound state reform.

The summoning agenda the deputies prepared included both the issues on which Congress agreed at the request of the Cocopa [Harmony and Peace Commission] and the issues included in *The Commitments for the National Political Agreement*, **which the parties signed at Los Pinos presidential residence.**

A set of possibilities was opened to ensure that the consultation and participation mechanisms of all the political and social protagonists will have the flexibility required by the issues and the circumstances. In other words, there will not be an obstacle to set up regional

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forums; to go, for instance, to Chiapas to analyze the state's problems; or to let only the involved protagonists reach a pact on certain issues.

To settle another issue that seemed to hinder the beginning of the talks, the Chamber of Deputies coordinators added an annex to the original project, which was made public last week. This annex stipulates exactly how the parliamentarian groups and the national leaders, which maintain close relations, will participate in the organization and execution of the dialogue.

This point specifies that the aforementioned will not impede the establishment of a special opportunity for negotiations among the parties' national leaderships and the executive branch.

As for the latter, PAN parliamentary coordinator Ricardo Garcia Cervantes insisted that, in any case, the dialogues will complement one another. "It is wrong to say that these agreements will be parallel," he explained as he repeated the summoning will "include everyone."

The signed document has 12 pages and constitutes the deputies' final contribution towards a call for society to ensure that the national dialogue to reform the state will start in a formal and structured fashion.

The deputies' final project lists the following issues for the initial agenda: Legislative reforms, political-electoral reforms, balance among the state branches, reforms of the judicial system and the bodies handling justice, and a new federalism. The significance of the other issues that will be discussed will not be downplayed. [passage omitted]

PRI Faction 'Democracy 2000' Changes Name

PA2510141795 Mexico City LA JORNADA in Spanish 19 Oct 95 p 19

[Text of communique issued by the Democracy for Change faction of the Institutional Revolutionary Party in Mexico City on 19 October 1995]

[FBIS Translated Excerpt] To the public opinion and to the active members of the PRI [Institutional Revolutionary Party];

Manifesto for Change

On 14 October, we changed, with the support of 170 delegates from the entire country, from Democracy 2000 to Democracy For Change, which is a new alternative within the PRI.

We changed into an option, open to society, that makes criticisms and that, above all, makes proposals. We have divided the work into territories to promote our party's reform as an essential condition for state reform and a peaceful transition to democracy.

Why Did We Change?

The change in our organization is not only in name; it also stems from the need to change attitudes, actions, and wrongful policies, while granting a privilege to proposals, talks, and the search for consensus, without rejecting our right to make reasonable criticisms based on arguments, evidence, and viable political options.

We did not renounce our past marked by Carlos A. Madrazo and the Democratic, Critic, and Democracy 2000 currents, as well as by the ideology of Luis Donaldo Colosio Murrieta. We are convinced that this past is common to many PRI followers.

What Current Do We Want To Be?

We want to be a current that will seek a consensus based on talks and debates, a current that will not destroy and make confrontations without reason, a tolerant current that will respect differences, a current firm in their proposals.

We want to be a current with a national plan, a current that will not only be devoted to the fight for democracy, but will promote tangible actions that will change the national political life.

We want to be a reformist current; a current that will not divide, let alone be schismatic; a current that will promote the state of law and will firmly strive to end the Mexican Revolution's unfinished social commitment by fighting for social welfare and national reconciliation.

We Favor the Following:

1. The prompt explanation of the murders of Luis Donaldo Colosio Murrieta and Jose Francisco Ruiz Massieu as a condition to reestablish social peace and reconciliation at the core of the PRI and society. We, the PRI followers, have been offended and demand, more than a year after the murders were committed, that the masterminds not go unpunished.

2. The search for a consensus among the many political and social forces in order to reach the basic agreements that will make the state reform possible, which consists of democratizing and strengthening the republican institutions.

3. A call for the active members and sympathizers of the PRI to resolutely participate in the internal reform process, which is the last opportunity for our party to change into a democratic government option.

4. The national, state, and municipal leaderships of our party change their relations with the active members,

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the currents of opinion, and groups of organized citizens who participate daily in partisan works, opening courses to settle the differences within the party and to reach a consensus based on talks and tolerance for other parties, the government, and society.

5. A change in economic policies that will promote the country's financial confidence; that will foster the reactivation of national industries, making the creation of jobs possible; that will express itself in larger levels of social welfare, while fighting poverty and placing men above economic indicators.

6. That our democratic system be consolidated in the 1997 federal elections. If the country fails to reach this date showing a democratic cohesion, based on the PRI and state reforms, we run the risk of the political transition evolving into anarchy and intolerance. Democracy is our destination, and we will be able to face the 1997 challenge only through democracy.

"For Democracy and Justice"

The National Executive Committee Deputy Luis Priego Ortiz, president Jorge Corichi Fragoso, secretary general Mauricio Lopez Velasquez, political action secretary Carol Antonio Altamirano, organization secretary Marco Antonio Cantu Vega, youth secretary Rafael Martinez Escamilla, human rights secretary Alfredo Tapia Navarrete, ecology secretary Josue Romero Sanchez, distribution secretary Elias Barajas Romo, finance secretary Humberto Dominguez Chavez, civic liaison secretary Maximino Vargas Betanzos, Indian affairs secretary Deputy Maria del Socorro Ramirez Ortega, international relations secretary

Center for Investigations, Studies, and Analyses Alejandro Del Rio Gomez, director Jorge Munoz Castro, secretary

Honor and Justice Commission President Doctor Vicente Gerardo Pensamiento Maldonado [passage omitted]

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Guatemala

DIDE Chief Urges U.S.-Promoted Blockade Against URNG

PA2810152095 Guatemala City PRENSA LIBRE in Spanish 26 Oct 95

[FBIS Translated Text] Guillermo Caal Davila, chief of the Army Information and Press Department, DIDE, has urged the U.S. Government to promote, within the international community, an economic and military blockade against the Guatemalan National Revolutionary Unity, URNG, to force the insurgency to lay down its arms and to declare an indefinite cease-fire.

Caal Davila claims that the United States has the necessary mechanisms and power to persuade the countries and institutions that support and finance URNG activities to cut down their assistance until the guerrillas are forced to lay down their weapons and accept a definitive cease-fire.

The United States can talk the countries, institutions, and organizations that support the URNG in one way or another into refraining from doing so. He added that this initiative should be promoted not only by the Army, but by Guatemalan society in general.

Caal Davila noted that all the media could agree to write on a given date about the advisability of completing the peace process successfully and of the URNG declaring a definitive cease-fire. This action could force the international community to stop helping the guerrillas, he added.

We could recommend this to the media, Caal Davila said after pointing out that this suggestion does not constitute Army meddling in the peace process.

The DIDE chief maintained that Amendment 176, which was approved by two U.S. Congress commissions and aims to condition U.S. economic aid for the armed forces, is more positive than negative if we take into account that the initial sanctions that were considered were more drastic.

We expected worse sanctions, Caal Davila admitted after asking that the U.S. provisions also reach the guerrillas.

He did not say if the 5 October incident in Xaman, Chisec, Alta Verapaz, in which an Army patrol killed 11 and injured 21 refugees, influenced the U.S. Congress decision or if the sanctions could affect the peace process between the government and the guerrillas.

Acting Foreign Minister Bernardo Arevalo said that the Foreign Ministry is pleased with the sanctions against the Armed Forces, because they will virtually not affect cooperation between the two countries. [paragraph as published]

The official added that he is pleased that the ministry's measures to clarify opinions about Guatemala in the United States were successful and led to less drastic sanctions against the country.

The ministry carried out dynamic and excellent efforts that persuaded the congressmen that human rights are respected in Guatemala, Arevalo added.

Trade Balance Deficit Down

96P20059 San Jose LA NACION in Spanish 26 Oct 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 26 Oct (ACAN-EFE) — According to a Central Bank report released yesterday, Wednesday, Guatemala has reduced the trade balance deficit by $87.3 million dollars in 1995 compared to 1994.

The report explained that between 3 January and 13 October 1994, the trade exchange deficit reached $532.1 million due to the fact that imports were at $1,820.3 million and exports reached $1,288.1 million.

The Bank of Guatemala (BANGUAT) specified that meanwhile, during the same time frame in 1995, imports reached $2,253.3 million and exports reached $1,808.5 million, which leaves a deficit of $444.8 million. Between January and October 1993, the trade balance deficit was $464.8 million.

According to the bank, the trade deficit reduction is due to this year's 40.4 percent increase in exports compared to 1994, while imports increased 23.8 percent compared to last year.

Police Seize Drugs Worth $1.44 Million

96P20058 San Jose LA NACION in Spanish 19 Oct 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 19 Oct (ACAN-EFE) — Yesterday official sources reported that in three distinct operations, Guatemalan counterdrug police seized cocaine, poppy, opium, and marijuana worth $1.44 million.

A Department of Counterdrug Operations (DOAN) spokesman said that in one of the operations carried out on Tuesday in the capital, DOAN agents from the Treasury Police seized 6.75 kilos of cocaine worth $114,406. The source added that the shipment was

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found in a suitcase, which also contained a migration entry permit to Cali, Colombia, but the man carrying the case was not captured.

Meanwhile, last Tuesday in an area bordering Mexico, in the western department of San Marcos, the Treasury Police discovered three plantations with 25,780 poppy plants for the production of raw opium. The soldiers, who were unable to make any arrests, turned in the drugs worth $87,389 to the courts.

In the third operation, 19,500 marijuana plants, worth approximately $1.24 million, were seized in the municipality of Melchor de Mencos, bordering Belize, in the northern department of Peten.

Although drug trafficking, mostly cocaine, has diminished as compared with 1994, the counterdrug police have begun an intense campaign to fight the cultiviation of marijuana and poppy plants in the interior of the country.

During the first six months of 1995, the DOAN seized more than a million marijuana plants, 677,000 poppy plants, and 63 kilos of cocaine worth $69.6 million, and arrested 102 people.

Nicaragua

Sandinists Reject 'Terrorist Act' Against Commander

PA2710154095 Managua BARRICADA in Spanish 25 Oct 95 pp 1, 2

[Communique issued by the Sandinist National Liberation Front in Managua, Nicaragua on 24 October 1995]

[FBIS Translated Text] From the Sandinist National Liberation Front [FSLN] to the Nicaraguan people.

The FSLN on repeated occasions has expressed its condemnation of the terrorist acts that have been taking place in our country.

On this occasion, we reject the attack early this morning when shots were fired at the residence of Commander of the Revolution Tomas Borge Martinez, jeopardizing the security and safety of comrade Tomas and his family.

The FSLN National Directorate would like to draw attention to the dangerous possibility that these criminal acts will increase in the heat of an electoral campaign. Such criminal actions are nurtured by those who, blinded by their political aspirations, act in a reckless way, hurling accusations, slurs, and slanders against FSLN leaders.

The course current events are taking demands a responsible attitude from the leaders of political parties, government authorities, and the news media so that tomorrow we will not regret the outcome we could have prevented today.

The FSLN expresses its solidarity with comrade Tomas Borge Martinez and his family. At the same time, we reiterate to our people that if the Somozist bullets, tortures, and prisons did not intimidate or make us surrender, then the current criminal acts will not make us step back from our commitment to the poor, the unemployed, the hungry, and all honest Nicaraguans who really want stability in our country.

FREE FATHERLAND OR DEATH!

Managua, 24 October 1995.

FSLN Commander Comments on Attack

PA2810012595 Managua Canal Cuatro Television in Spanish 0400 GMT 25 Oct 95

[From the "Extravision" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] Various Nicaraguan sectors have condemned the attack on Tomas Borge, a member of the National Directorate of the Sandinist National Liberation Front [FSLN].

This is the house of Commander Tomas Borge, located in Bello Horizonte. It was strafed at approximately 0100 apparently by two people in a Charade car. The investigations are on. The police are saying nothing.

Five bullet holes are evidence of the terrorist attack on Commander Borge and his family. An initial police version states that the shots were fired from a vehicle traveling south-north.

Few people witnessed the attack because of the time at which it took place. The police are questioning bodyguards and neighbors who were also victims of the criminal attack.

According to the police, one of the bullet holes is near the room of Borge's youngest daughter, who is only four:

[Borge] "I am concerned mostly about the security of my family and my companeros. Personally, I am used to a life full of danger. I think one has to pay a price for being a political leader identified with the interests of the people and for being the director of a newspaper that is also identified with the interests of the people. I realize there are risks one has to run. An attack on me does not make me angry. I can understand it to a certain degree, despite the fact I think it is not right, is unfair."

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Borge has described the attack as a bad forewarning of what could happen during the forthcoming electoral campaign:

[Borge] "This has to do with the necessary security for holding elections. In the countryside, in places where there is no security, such as northern Nicaragua, there should be no elections. Either there are solid guarantees or there can be no elections there. We will oppose holding elections in areas where the voters' security is not guaranteed."

Meanwhile, various Nicaraguan sectors have condemned the attack:

[Labor Minister Francisco Rosales] "All I can say is that acts of violence, especially one such as this, are completely condemnable. I am against violence, from wherever it comes.

[Gerardo Salinas, president of the Higher Council of Private Enterprise (COSEP)] "Personally, I am against all kinds of violence and am certain COSEP, as an institution, is also against all types of violence.

[Army Commander General Joaquin Cuadra] "This is a condemnable and totally reproachable act. We will help the police clarify this action just as we are doing about other actions society has also condemned."

The operations unit of Police Station Four is in charge of the investigations.

Panama

President Discusses Treaties at OAS Assembly

PA2710211795 Panama City Circuito RPC Radio in Spanish 1730 GMT 26 Oct 95

[Speech by President Ernesto Perez Balladares at the Hall of the Americas at the General Assembly of the OAS Permanent Council in Washington, D.C. — live]

[FBIS Translated Text] Mrs. President of the Permanent Council; Mr. Secretary General; Mr. Assistant Secretary General; Dear Messrs. Ambassadors who are permanent representatives; Messrs. Ambassadors who are permanent observers, ladies and gentlemen:

I thank Honorable Ambassador Carmen Moreno de Del Cueto, president of the OAS Permanent Council, for her welcoming words. The Mexican ambassador's leadership guarantees balance and cordiality in these deliberations. In addition, I want to thank Secretary General Cesar Gaviria for his kind expressions of friendship toward my country.

This Hall of the Americas holds special memories for every Panamanian, memories that increasingly come to the nation's collective mind as the end of the century draws closer. Eighteen years ago, former President Jimmy Carter and Omar Torrijos, chief of the Panamanian Government, signed right here and before Latin American leaders the treaties that ended 75 years of unfruitful demands and quite a few regrettable incidents where Panamanians lost their lives demanding basic rights for a sovereign nation. These agreements will allow Panama to face its destiny on the last day of this century.

Thus, a historical cycle will conclude, a cycle that began with Panama's birth as an independent nation at the beginning of this century. It is a cycle that continued under the shape of a virtual protectorate and a Canal Zone that had become a state within another state, and will end when all the lands and installations, including of course the military bases and the canal itself, revert to Panama.

Therefore, Panama has gone through all the stages in its relationship with the world's largest power. The Panama Canal largely forged bilateral relations. After participating in Panama's separation from Colombia, the United States received rights, which are now inconceivable, over parts of our territory. There were even times when Panama was very much like a U.S. protectorate with all of the subsequent advantages. At the other extreme of the relationship, Panama has been one of the few countries that have been invaded and the only one in this continent that has broken diplomatic relations with the United States — which happened in 1964 following the death of more than 20 Panamanians in clashes with U.S. troops in the former Canal Zone.

I recall these facts only because I believe that such a troubled history of relations between a small country and the United States, including extreme situations that are unknown to most countries, allows me to draw with some certainty lessons that may be useful to the OAS toward the end of the 20th century.

I certainly do not expect Panama's experiences to be universal. I only want to point out some aspects of the relation between our countries that will facilitate the many and urgent tasks the OAS will undertake in the future. OAS members comprise countries in the two extremes of the development scale: The world's most industrialized country on one extreme and the smallest countries on the other extreme. However, even if we exclude Canada and the United States, the differences among OAS member countries remains abysmal, the reason why the condition of a small country is sometimes invoked to ensure the solidarity of other countries.

I do not believe that it is beneficial for the OAS to create artificial divisions based on the territorial size of

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the states or the strength of their economies, because this brings apprehension and mistrust into play whenever the countries engage in negotiations. The juridical equality of the states is an empty concept if we ourselves do not give it the value it deserves. There are still biases and doubts whenever negotiations are conducted. There is still fear that there might be hidden agendas whenever a proposal is being considered, particularly, if this proposal is made by more powerful nations. I believe we must abandon these postures and believe more in ourselves, our own negotiating capability and the firmness of the principles that sustain it.

Important negotiations are awaiting all our countries in matters of trade; the coordination of efforts to fight international crime; and the exchange of information on crime-related operations and the transfer of technology, which will enable us to begin closing the wide gap that separates our countries. Without pacts and agreements on these topics, the prospects for success in achieving our major national goals are scant. Moreover, if we do not display a more trusting attitude when we conduct negotiations, the possibilities for good results will be minimal.

When my country, Panama, began walking the long and at times tortuous path of negotiation to obtain what was duly its right, it only had the moral strength of its reason on its side. The solidarity of other countries in the continent was not stated until later and after that, it extended to international forums. Even after the treaties were negotiated and ratified, there were still doubts about the true willingness of the United States to comply with what has been agreed.

I can assure you today that, in reality, the Torrijos-Carter Treaties have been fulfilled, and we are now in the final stage of the Canal transition to Panamanian hands. I have no doubt that on 31 December 1999 Panama will assume the responsibility to administer the Canal, for which we are preparing ourselves.

Ninety-two percent of the work force is already Panamanian and, in close coordination with U.S. authorities, we are taking additional steps to make the transition imperceptible. In this regard, we have agreed that by 1998, all those working for the Canal should remain in their positions so that there are no significant personnel changes in the transition year and the succeeding years. Additionally, we agreed to revise the studies for future alternatives so that Panama receives the Canal by the end of the century with the modernization program already under way.

In spite of the fact the process for the reversion of the military bases has progressed smoothly — just one and a half months ago two large installations reverted to Panama — President Clinton requested to me in September of this year to explore the possibility of seeing if a reduced U.S. military presence after the year 2000 could be beneficial for both countries. I responded to him at that time that in my opinion, the military bases do not guarantee my country's security, and Panamanians who look upon favorably in some way link them to their own economic well-being and that of the nation. In other words, I told him that the tangible and quantifiable benefits of this presence had a great bearing on that perception, reflected in polls showing the opinion of most Panamanians.

In spite of this, I told him I was willing to discuss this matter. That request by President Clinton became news all over Latin America, in spite of the fact our agenda focused on different issues. Why? Because everyone considers that if the United States wishes to maintain a military presence in Panama after the year 2000, it will be a cause of confrontation or of overt imposition. That is not true.

If I perceive that a negotiation could be beneficial for Panama, I would not hesitate to move along that path. In the end, the Panamanian people themselves will decide on this matter in a plebiscite. But if I realize that my country will not obtain any benefit from this military presence, I would not hesitate to express this to the U.S. Government. Whatever the outcome of the conversations turns out to be, the Torrijos-Cartel Treaties are going to be fulfilled.

What doesn't seem to be in line with the maturity of a relationship and, in our case, with experience, is that out of anxiety or fear, we chose not to talk beforehand.

The OAS is depository of the instruments of adherence to the Treaty Regarding the Permanent Neutrality of the Panama Canal, signed between Panama and the United States and which will be in force from the year 2000 onward.

This is why I believe it was necessary to share with the Permanent Council these reflections on such a sensitive topic for all of us.

I would not like doubts to remain. The Torrijos-Carter Treaties will be honored. That is my commitment, and it is also the commitment of President Clinton. Whatever the result, any talks on this issue will be conducted without endangering the firm and strict compliance with what has been agreed.

I must stress that I do not view compliance with the treaties as a series of obligations on the part of the United States vis-a-vis a series of rights and expectations on the part of Panama. It is the duty of Panamanians to guarantee that the canal lends an exceptional

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service to world trade, particularly, those countries that rely heavily on the canal to commercialize their exports such as the countries in the American continent. To fulfill this duty, we are sacrificing considerable financial resources to improve and modernize the Panama Canal.

As you know, this year, the canal has earned profits that far surpass projected figures because tolls have experienced a significant increase. According to the treaties, the excess profits earned from the operations will be turned over to Panama. However, we are also aware that all improvements made to the canal constitute an additional guarantee to canal users that well extends into the 21st century, the waterway will continue being handled efficiently and that the canal in Panamanian hands will maintain its current standards of maintenance and efficiency.

Consequently, I have given instructions to the Panamanian members of the Panama Canal Board of Directors that those excess profits, which amounted to more than $50 million this year, be entirely allocated to speed up the widening of Gaillard Cut. Gaillard Cut is the canal's narrowest part and represents a natural hindrance to increasing traffic through the waterway. The decision to allocate these resources for this purpose when the country has — like so many other countries — many other needs is also another way to show the world the priority we give to our commitment of efficiently administering and operating the canal. In addition to this, we have convened the 1997 Panama Canal World Congress, in which governments and users of the interoceanic waterway will participate and Panama will disclose the advances it has made and will receive the experiences and recommendations of other countries to make the canal even more efficient.

Additionally, the plans to use the reverted areas are being drafted. Some of these areas will be destined for industrial projects that will generate more jobs than those that will be lost after the closure of the military bases in Panama. The Panamanian Government has also offered to use one of the installations to set up a continental center to fight drugs and money laundering that will complement the Inter-American Convention in all aspects of drug trafficking and money laundering this organization can come up with. We have also planned that one of the military bases will become a center for studies and specialized institutes, which we have named the City of Knowledge. The action of exchanging the presence of soldiers for that of students and teachers will be a homage to Panamanian youths and all youths in the American continent.

With this transparency and certainty, Panama is about to encounter its destiny. Madame President, Secretary General: I have confidence that under your leadership and design of a new vision for the OAS, our regional organization will experience, at last, the renewal its members have relentlessly demanded. To this effect, I ask that you consider these reflections as a contribution to promote a more productive cooperation and better understanding among all the countries of the American continent.

Madame President, Messrs. Ambassadors: Next year, Panama will host the 26th OAS regular session. On that occasion, you will be able to see personally the progress we have made regarding the transition for the transfer of the canal, as well as the current and future use of former military bases. On that occasion, we will renew our commitments with our peoples with the desire of turning our region into the world's largest free trade area. On that occasion, the dream of Liberator Simon Bolivar, a great American amphictyony with Panama as its capital, will come true, even if it is only for a few days. Until then, thank you very much.

Foreign Minister Meets With U.S. Bases Negotiator

PA2710190495 Panama City EL PANAMA AMERICA in Spanish 27 Oct 95 p 1

[Report by Henry Raymont]

[FBIS Translated Text] As observers in Washington discussed the possibility that the United States and Panama reach an agreement to extend the presence of the military bases for another five or 10 years, Foreign Minister Gabriel Lewis Galindo met yesterday with Michael Skol, head of the U.S. delegation responsible for exploring a possible negotiation of the bases.

Even though Panamanian and U.S. officials do not want to publicly predict what will be the conclusion of the talks slated to begin on 30 November, experienced observers believe that eventually, the two countries will reach an agreement to keep the U.S. Southern Command bases until the year 2005 or 2010. This agreement will be contingent upon the acknowledgement of Panama's absolute sovereignty over the interoceanic waterway.

Meanwhile, Skol told EL PANAMA AMERICA that the "main goal of the talks will be to determine whether a negotiation to have a reduced presence of troops after 1999 is truly in keeping with our respective national and bilateral interests."

Skol confirmed his meeting with Lewis Galindo and emphasized that "the two parts have taken quite seriously the procedure" for the talks. This procedure was stipulated in the joint communique issued by U.S. President Bill Clinton and Panamanian President Ernesto Perez Balladares on 6 September.

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"There are no other prerequisites, in addition to our respective national and bilateral interests," Skol warned.

In the meantime, in a speech at the headquarters of the OAS Permanent Council in Washington, Perez Balladares ruled out that a possible U.S. interest in the bases could be "reason for a confrontation or an open imposition."

After stressing his "commitment" and Clinton's commitment to respect the Canal Treaties, Perez Balladares remarked that it was not "mature" for Panamanians "to shun the talks" on the military bases "beforehand because of biases or doubts."

In his speech, the president stressed that Panama has gone through different stages in its relations with the United States. There was a time when this relation "quite resembled a protectorate... it has been one of the few countries that has faced an invasion, and the only country in this continent that has broken diplomatic relations" with Washington.

Foreign Ministry Official Views Trade With Cuba

PA3010015395 Panama City Telemetro Television Network in Spanish 1730 GMT 23 Oct 95

[Report by Jose Tam Cianca; from the "Telemetro Reports" newscast]

[FBIS Translated Text] As for the Cuban embargo, the United States has come up with certain prohibitions for trading with the Havana Government. Consultations in this regard were made to the Panamanian Foreign Ministry.

Many concerns are currently being raised now that there is much talk about the military bases, the canal area, and the year 2000. Various sectors are also asking about the implications for businessmen if they trade with Cuba in view of the embargo maintained by the United States on the island.

Panamanian Foreign Ministry adviser Adolfo Ahumada explains the situation.

[Begin Ahumada recording] Panama has maintained, as part of its foreign policy, the belief that the country is free to carry out trade activities with other states. Panamanian nationals and corporations are also free to do it. Of course, this contradicts the measures adopted by the U.S. Government, which believes it is necessary to maintain the blockade and embargo on trade activities with Cuba. [end recording]

Panama's right to trade its resources and take advantage of this activity is part of the intensification of the world's economic globalization, an activity, which according to the government remains free among Panamanian businessmen and nationals.

Gonzalez 'Formally Indicted' for Killing of U.S. Soldier

PA2810145695 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Oct 95 p 1

[Report by Jacqueline Clarke]

[FBIS Translated Text] The Fourth Superior Attorney's Office has formally indicted Pedro Miguel Gonzalez and fugitives Roberto Garrido Visuetti and Amado Sanchez Ortega for the homicide against U.S. soldier Zak Hernandez.

In addition, the Fourth Superior Attorney's Office rejected the parole request presented by defense attorney Carlos Carrillo.

[Prosecutor] Guevara stated that the accused should also be called to trial for association with criminal intent and attempt to murder U.S. soldier Roland Terral Marshall, who sustained "serious injuries" in the attack that took place on 10 June 1992 near Chilibre, on the road to Colon Province.

The prosecutor dismissed all the charges against the other accused, namely Pedro Miguel Gonzalez' sister Lidia Yanida Gonzalez, Ruben Lucero Villarreal, and Julio Cesar Alvarado.

According to Guevara, the investigation, consisting of seven volumes, contains "serious" evidence against the accused implicating them in the crime.

He added that the alleged theft of public documents reported recently by PRD [Democratic Revolutionary Party] president Gerardo Gonzalez, father of Pedro Miguel, will be investigated.

Gonzalez' defense attorney announced he will file the corresponding recourses to appeal the Attorney's Office decision.

In a letter addressed to the Attorney General's Office, the U.S. charge d'affaires requested that the three main witnesses in the Gonzalez case be given protection.

U.S. Air Force Officer Found Murdered in Veracruz

PA2910234295 Panama City EL PANAMA AMERICA in Spanish 28 Oct 95 p 1

[Report by Carlos Vargas]

[FBIS Translated Text] The National Police [PN] has reported that Magne Ross, an officer of the U.S. Air Force, which is quartered along the Panama Canal

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banks, was found murdered. Unidentified individuals had shot him twice along the road leading to the community of Veracruz.

Following an anonymous call, PN and Police Investigation and Information Directorate (DIIP) agents went to the site of the finding, where the body of the military officer, apparently of Puerto Rican origin, had been dumped.

Ross' body showed two bullet wounds made at point-blank range. One shot hit him in the chest and the other shot hit the left side of his abdomen.

The dead officer was carrying a military identification card with number 386-899033 and showing his blood type as B negative.

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Argentina

Mosad Involvement in Attack on Envoy Said 'Possible'

LD3010114595 Tehran IRNA in English 1011 GMT 30 Oct 95

[FBIS Transcribed Text] Tehran, Oct. 30, IRNA — The intelligence service of Argentina has officially considered it possible that the Mosad, Israel's notorious intelligence service, was involved in the murder attempt in Buenos Aires last week on Iranian Charge d'Affaires Gholamali Rajabi Yazdi.

In a report in one of the latest issues of the PAGINA 12 daily, Argentine Vice-president Carlos Ruckauf was quoted as saying that the intelligence service of Argentina continued its investigations on the probable involvement of a group of Jewish youth or Mosad agents in the assassination try on Yazdi.

The Iranian diplomat was targetted by two unknown gunmen last week and he sustained chest injuries as a result.

After the incident, a Zionist group contacted the ASSOCIATED PRESS office in New York and accepted responsibility for the terrorist act.

Ten days following the murder attempt, Argentine officials have refused to announce a firm stand vis-a-vis the event.

Reports have said that Zionist groups regretted that the attempt on the Iranian diplomat has failed.

Government Agrees To Inform Iranian Officials on Attack

PY2710152395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1201 GMT 27 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 27 Oct (NA) — It has been officially reported that the national government is willing to receive Iranian officials and to inform them about "the available data and the theories being pursued" toward resolving the attack on an Iranian diplomat, but "in no way will we be reviewing the possibility of Iranian investigators directly participating in the investigation into the attack."

After a cabinet meeting at the Olivos Residence yesterday, Foreign Minister Guido Di Tella explained: "We are examining the possibility of authorizing the Argentine organizations that are participating in the investigation to pass information on the data collected and the theories being pursued."

Iranian ambassador to Uruguay 'Ali Sarmadi-Rad said yesterday that, "if the Argentine Government agrees," his country is willing to send personnel from the Iranian intelligence services to help resolve the case.

A Foreign Ministry communique confirms that the Foreign Ministry received from the Islamic Republic of Iran "a request to allow special Iranian envoys to travel to Argentina, meet the appropriate officials, and to become thoroughly acquainted with the case involving the shooting of Iranian Charge D'affaires Hassan 'Ali Rajabi Yazdi."

The Foreign Ministry communique says the petition "is being studied by the Foreign Ministry," which will "consult with the Interior Ministry on this point."

The Foreign Ministry communique adds: "In no way are we examining the possibility of Iranian investigators directly participating in the investigation."

Di Tella yesterday noted that "there would be no problem" in informing Iran's special envoys about the progress of the investigation. Nevertheless, he explained: "We want to know who and how many they are."

The foreign minister added that "the Middle East situation and the attack on the Iranian diplomat" were discussed during the meeting between President Carlos Menem and Israeli Prime Minister Yitzhaq Rabin in New York.

Di Tella noted that Rabin guaranteed Menem that Israel "is not involved in any way" in the attack on the Iranian diplomat. [passage omitted]

Reportage on Ukrainian President's Visit

Kuchma on Ties, Foreign Debt

PY2810014395 Buenos Aires TELAM in Spanish 1823 GMT 27 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (TELAM-SNI) — Ukrainian President Leonid Kuchma asserted in Buenos Aires today that he was interested in learning about the economic modernization process undertaken by President Carlos Menem from Argentine sources.

Foreign press reports published last week noted that IMF Managing Director Michael Camdessus had suggested to the Ukrainian head of state that he discuss with Menem a solution to the economic crisis confronting the Ukraine.

During a news conference, Kruchma said that his state visit to Argentina is more than a political visit because it entailed the presentation of a "visiting card and the discussion of economic matters."

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The Ukrainian president recalled that in the past, his country did not have a legal framework for cooperation, something which now exists thanks to several cooperation agreements, including trade agreements with Argentina.

Having stated that he expected that both countries will be able to "cooperate successfully," the Ukrainian head of state added that from now on, "everything will depend on businessmen and industrialists."

Commenting on the subject of the Ukraine's foreign debt, Kuchma stated that the granting of an IMF loan is essential for his country. He went on to say that one "has to be courageous" and take "extreme decisions," which, even though they may give rise to problems at the beginning, "will help us to be in a better position tomorrow."

Kuchma further stated that "there is political will" in the Ukraine to effect changes, but that "bureaucracy" constitutes the main obstacle to bringing about reforms.

The visitor was of the opinion that it is important to create "the conditions" in his country so that "Ukrainians do not emigrate" to other countries.

The Ukrainian head of state also referred to the need for the state to democratically support the development process in the Ukraine, which was under the powerful influence of Russia for more than 70 years.

He indicated, moreover, that it was "lamentable" how little known the Ukraine was throughout the world, and that the task of providing information about his country should be tackled in earnest.

Cooperation Agreements Signed

PY2710233195 Buenos Aires TELAM in Spanish 1822 GMT 27 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (TELAM) — Argentine President Carlos Menem and Ukrainian President Leonid Kuchma today signed bilateral cooperation agreements and exchanged decorations. Kuchma started his official visit to Argentina this morning.

The signing ceremony was held at the White Hall of Government House, where Menem welcomed Kuchma. The two presidents and their respective entourages later held a working meeting to analyze the two countries' relations.

The two presidents presided over the ceremony during which Argentine Foreign Minister Guido Di Tella and Ukrainian Foreign Minister Hennadiy Udovenko and Serhiy Osyka, foreign economic relations minister, signed the bilateral agreements.

The documents include an agreement on economic and commercial cooperation, a declaration of interest on space cooperation, and an agreement on the elimination of visa requirements for official and diplomatic passports.

Menem and Kuchma signed a "Declaration on the Principles of Argentine-Ukranian Relations" establishing the rules and bases on which the two nations will continue developing their cooperation on issues of bilateral and international interest.

Menem decorated his illustrious guest with the "Grand Collar of the Order of the Liberator General San Martin," while Kuchma awarded Menem the decoration "Jaroslav the Wise."

Expressing thanks for the decoration, Menem stressed Kuchma's personality and praised his "tireless struggle to recover his country's independence and, within this framework, democracy, freedom, and full respect for human rights."

Menem expressed hopes "that the Ukraine will continue following, with success, the path to achieve the goals its wonderful people and government deserve."

Kuchma stresses Argentina's changes since 1989 and Menem's support of the Ukraine in the process that ended with his country's independence.

Ukraine, one of the most important members of the former Soviet Union, achieved its independence on 24 August 1991 and ratified it in December of the same year, after 300 years of control by Moscow that was based on an agreement signed by both states in 1654.

Ukraine has an area of 603,700 square km and more than 52 million inhabitants. Ukraine has a large conventional and nuclear arsenal. It is also important for its agriculture and oil production.

Kuchma arrived in Argentina last night after participating in the commemorations of the 50th anniversary of the creation of the United Nations in New York. His tour will also take him to Chile.

Kuchma's fist official activities started at 0900 when he paid homage to the memory of General San Martin at San Martin Square. The Ukrainian leader then participated in the ceremony marking the signing of the cooperation agreements at Government House.

At noon Kuchma paid a protocol visit to the Supreme Court at the Courts Palace and then offered a news conference at the Alvear Hotel.

Kuchma returned to Government House at 1330 to participate in a luncheon offered by President Menem. Cabinet Chief Eduardo Bauza, Foreign Minister Guido Di

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Tella, and Presidential Secretary General Alberto Kohan, among other officials, participated in the luncheon.

Foreign Minister Reports to Foreign Relations Committee

PY2710161495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1101 GMT 27 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (NA) — Foreign Minister Guido Di Tella emphasized: "There are some people who want to destabilize. They are not inside, but outside the government."

Among those who want to "disturb," the foreign minister included "some journalists." He alleged that these journalists "speculated" about President Carlos Menem's tour of the United States.

After making this allegation, Di Tella immediately explained that he said it "with compassion," but refused to supply "names."

Somewhat annoyed over some of the questions, the foreign minister suddenly made a pungent remark, saying: "Please, ask me more interesting questions." He said this while being besieged with questions on the Malvinas Islands sovereignty issue.

Asked about the negative impact of the absence of Economy Minister Domingo Cavallo from the presidential entourage on U.S. bankers and entrepreneurs, Di Tella emphasized: "I accompany the president. Cavallo should not compete with me."

The foreign minister yesterday delivered a two-hour report — behind closed doors — to the members of the Foreign Relations Committee, chaired by Eduardo Menem. The foreign minister's report mainly focused on the agreement with the United Kingdom to exploit hydrocarbons in the waters around the Malvinas Islands.

Di Tella emphasized that this agreement represents an advancement in the trade relations with the United Kingdom. He elaborated on the economic benefits for our country, saying: "It is a step in the right direction."

Concerning the thorny issue of sovereignty, Di Tella emphasized that "the islands are Argentine," but the "protection umbrella, for the time being, limits expressions that are not calm and prudent."

Concerning the presidential expression that the islands would be peacefully regained by the year 2000, however, the foreign minister emphasized: "This represents a 0.68-percent probability."

The foreign minister emphasized the advancements achieved. As an example, he mentioned the government's talks with "some Kelpers, not all of them" and the prospect of an "exceptional and cordial meeting between the president and UK Prime Minister John Major."

Di Tella used a good portion of his encounter with journalists to praise the results achieved in the bilateral meetings the president held in New York, including those with Jacques Chirac, Yitzhaq Rabin, and the UK prime minister.

The foreign minister said Menem confirmed the economic system would not be changed and "straightforwardly" listed the problems experienced by Argentina.

After the meeting Luis Leon, an UCR [Radical Civic Union] senator, described as "unclear" the report supplied by the foreign minister. Leon said: "The agreement with the United Kingdom indicates a lack of strategy because allowing British participation represents a concession."

Leon noted: "If we negotiate with thieves," the British "will gain a moral advantage on the possession of the islands."

The news conference was marked by a particular feature: Di Tella and Senator Menem occupied a small rostrum and, separated by large armchairs, the journalists were 3 meters away.

An adviser of Di Tella said: "Microphones and tape recorders bother the foreign minister."

Economy Minister: 'Many' Suffering Over 'Recession'

PY2710153095 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0238 GMT 27 Oct 95

[FBIS Translated Excerpt] San Carlos de Bariloche, 26 Oct (NA) — Economy Minister Domingo Cavallo tonight admitted that the effects of the "recession" are being "endured" in Argentina. He added that "there are many people who are suffering" over the crisis affecting the provincial states.

Nevertheless, Cavallo noted that "many more people will suffer if the changes" required "are not pursued" to enhance the current economic system being implemented by the government of President Carlos Menem.

The economy minister also indicated that it is "irrelevant" to ask if the economic program would be pursued if he were not heading the Economy Ministry.

"I am not going to answer that, even if you ask me a thousand times," expressed the economy minister, who refused "to foster" the rumor-mongering on cabinet changes.

Cavallo made these remarks in San Carlos de Bariloche where he participated in a seminar sponsored by the

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Institutę for Argentine Entrepreneurial Development [Instituto para el Desarrollo Empresarial Argentino] (IDEA) on the problem of unemployment.

Focusing on the difficult social situation being experienced by some provinces, the economy minister indicated that "we are enduring a recession and many people are suffering, but many more people would suffer if we fail to implement the changes" foreseen in the Convertibility Plan.

The minister emphasized: "We must sacrifice ourselves and subject ourselves to a strict discipline of austerity." [passage omitted]

Economy Minister Interviewed on Privatization, Financing

PY2810023495 Buenos Aires LA PRENSA in Spanish 13 Oct 95 p 9

["Exclusive" interview with Economy Minister Domingo Cavallo by Gabriela Ascanelli in New York; date not given]

[FBIS Translated Text] [Ascanelli] You have said that you would postpone the sale of privatized company shares in state hands if offers do not reach the desired prices. Will the government issue new bonds to balance its 1995 accounts if those shares are not sold?

[Cavallo] No. We expect to create a "trust-fund" with U.S. banks. The fund, not the Argentine Government, will then issue bonds to purchase those shares. The fund will be owned by banks. The state will only own a small percentage of it. In this way the country will receive funds for the value of the shares, which, in practical terms, is as if we were selling those shares.

[Ascanelli] What banks will make up the fund?

[Cavallo] The bank in charge is the Chemical Bank. This bank won the bidding and is working on the sale of a package of shares still in government hands. The Chemical Bank will possibly be the fund coordinator, when it is created. The bank will issue bonds to purchase the shares of already privatized companies that are still owned by the government.

[Ascanelli] Will that scheme help complete the government financing needs for 1995?

[Cavallo] Yes. We have already received many offers from abroad to compensate for the $1.2 billion that we expected to received from privatizations this year and that was postponed for next year, such as in the case of Yacyreta. Besides, we are negotiating other loans. We have not requested them, but if they are offered we will take them into account.

[Ascanelli] Will you use external financing alone?

[Cavallo] We might take domestic bank advances on installments of the tax moratorium that is due on 30 November. The breakdown per type of financing will be done according to the offers we receive.

[Ascanelli] Our economic projections point out that the country will start emerging from the recession in the third quarter of this year. How are you planning to convince agents to drop their mistrust and fear of contracting new debts, which is currently affecting the internal market?

[Cavallo] The fear of contracting new debts is lessening. We have seen the process reverting with Tiavi [Housing Loan Certificate] holders who had the right to mortgage loans, but who were not requesting any up until a month ago. The interest rate for consumers is dropping to more normal levels, and we anticipate an increase in the consumption of durable goods. Then, we have new credit lines — including some for the purchase of new buses and agricultural machinery — that will encourage a reactivation of the demand that dropped at the beginning of the year.

[Ascanelli] But banks still have to show their renewed trust, because they do not dare give more loans, even if they are not experiencing liquidity problems.

[Cavallo] They are not giving money to small and mid-sized companies and some large companies that are considered too risky. This is so particularly because they are afraid of the tax and social security debt they have accumulated. But the problem will be resolved between October and November with the combination of a tax moratorium and the financial assistance banks can give companies without reclassifying their risk factor.

[Ascanelli] Some analysts have warned about the need for a second state reform, without which, in their opinion, it will be impossible to adapt spending to real revenues.

[Cavallo] Almost all those who speak about public spending are not well acquainted with the breakdown of spending. The "federal bureaucracy" does not cost billions of pesos. We could possibly save 100 or 200 million pesos eliminating secretariats or under secretariats. We are doing this, but the resultant savings will not substantially reduce our spending. Besides, reforms have legal boundaries. We cannot dissolve or merge autonomous organizations or eliminate entire areas in the public administration. We will start a reform once the new law on ministries is approved.

[Ascanelli] Will the law change the national administration's current structure?

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[Cavallo] The grand fiscal challenge is not to reduce federal public spending, even though we must spend more efficiently. The grand issue is the reform of provincial states, even though not all of them. La Pampa, San Luis, Santa Cruz are being very well administered. Buenos Aires Province is also being well administered.

[Ascanelli] What are the necessary steps to start a provincial reorganization process?

[Cavallo] First, we must find the financing to be able to absorb provincial pension funds. We have already started this process with World Bank and Inter-American Development Bank assistance. This assistance will enable the national Treasury, during the rest of this year and in 1996, to take over provincial pension funds, even though without counting on budget appropriations for the purpose. Pension funds deficits will be covered by budget appropriations as of 1997.

UCR Leader Criticizes Decree on Amended Patents Law

PY2810023995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1103 GMT 27 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (NA) — UCR [Radical Civic Union] leader Raul Alfonsin has challenged the executive branch because, through a regulatory decree on the [amended] Patents Law, it engaged in "an act of legal terrorism that is causing huge institutional damage."

Alfonsin also pointed out that the decision made by the executive branch "is causing legal insecurity, as it represents an unprecedented measure in our country." He emphasized: "Not only domestic investors, but also foreign investors, who will seek other countries with clear laws, are being frightened away."

Alfonsin emphasized: "The process of reforming the patents system, a process that has developed for more than three years in Congress, with strong debates, now is being stymied with the publication of a regulatory decree that has misrepresented most of the standards of the approved law."

Through a communique, the UCR leader yesterday alleged that the executive branch "wants to cancel out, with the stroke of a pen, the efforts of the congressional blocs." Alfonsin emphasized that Decree 590/95 "seeks to subject Argentines to a monopolistic system that bestows unlimited power upon those having technologies."

The former president added that the issuance of the aforementioned decree "represents a waiver by the executive branch vis-a-vis the pressures openly exercised by foreign governments."

In this regard, Alfonsin noted that the government "is mistaking participation in a global economy, which certainly requires harmonizing interests within the framework of international law, for totally giving up the sovereignty that countries must exercise."

Alfonsin pointed out: "The decision made by the executive branch is causing huge damage. Not only domestic investors, who will no longer invest due to the regulatory restrictions, but also foreign investors, who will seek other countries with effective laws, will be frightened away."

Bolivia

Andean Peasants Condemn Forced Eradication

PY2710152995 Cochabamba LOS TIEMPOS in Spanish 17 Oct 95 p A7

[FBIS Translated Excerpt] Peruvian, Colombian, and Bolivian coca producers met between 9 and 11 October in Quillabamba, the capital of the Inca Region of Peru, and requested the end of the forced eradication of coca plantations.

This information was provided by coca growers leader Evo Morales Ayma, who said delegates to the Third Andean Producers Encounter met and condemned the forced eradication of coca plantations.

Members of the Andean Council presented a report defending the international production of coca. It was unanimously approved.

Delegates formed three work commissions: One political, one economic, and one organic. The political commission criticized the forced eradication of coca plantations in the Andean region and the militarization of producing zones.

"We, coca producers call for an end to forced coca eradication in Bolivia and Colombia where eradication is done with herbicides, Glyfosate. The human rights of Andean peoples are being hurt," Morales said.

The peasant leader said that herbicides, particularly in Colombia, hurt both coca plantations and all agriculture products. Morales added: "The spray contaminates the environment and hurts humans because the chemical produces abortions in zones where it is being used."

Instead of eradicating coca plantations, producers suggest the struggle against trafficking should be based on social and economic criteria. "All regressive policies have failed so far. That is the conclusion of the meeting," Morales said.

"We condemn the use of drugs, we condemn drug trafficking, and we do not accept eradications. We want

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to replace the coca plantations with an alternative that will help thousands of peasant families to survive," Morales said.

Morales said that, after deep thought, coca producers reached the conclusion that trafficking is a consequence of neo-liberalism. This is because the latter promotes it with free trade and free market policies. He added that bank secrecy is something that developed countries regrettably are unable to control.

The event concluded with the nomination of the new Andean Pact executive board, which by consensus approved a Peruvian proposal ratifying Morales Ayma members from each member country. [passage omitted]

Brazil

Space Deal Said 'Most Sensitive Topic' of Kuchma Visit

PY2710213095 Rio de Janeiro O GLOBO in Portuguese 26 Oct 95 p 14

[From the "Swann" column by Ricardo Boechat]

[FBIS Translated Text] The signing of a space cooperation agreement became the most sensitive topic of Ukrainian President Leonid Kuchma's visit to Brazil.

The Ukraine owns the world's third largest nuclear arsenal — which it is voluntarily deactivating — and an advanced rocket manufacturing industry. The Ukraine has been considering launching satellites from the Barreira do Inferno launch site.

A week before Kuchma's arrival in Brasilia, however, Russia and the Brazilian Government signed a similar agreement.

Now, surprised by the above development, the Ukrainian diplomats are wondering whether there will be sufficient space for all those interested in using that military base in Natal [place name as published].

Nation To Aid Palestinians; Cardoso Meets 'Arafat

PY2810020395 Sao Paulo AGENCIA ESTADO in Portuguese 2206 GMT 17 Oct 95

[Report by Vanildo Mendes]

[FBIS Translated Excerpt] Brasilia, 17 Oct (AE) — The Brazilian Government has decided to send a team of specialists in education, health, mass immunization, and dentists to the Middle East this year to help the Palestinian people in their quest for building a new state. The information was conveyed today by Brazilian diplomats to Yasir 'Arafat, head of the Palestinian government, who is making an official visit to Brazil to convey his gratitude for the Brazilian support for the Palestinian cause and to ask for help to consolidate the Palestinian nation. 'Arafat was accorded honors due to heads of state.

The decision to send health and education specialists is the first step of a broad cooperation program between Brazil and the future Palestine state that will entail both trade and the establihsment of infrastructural facilities. The first direct elections will be held in Palestine in January, when members of parliament and a prime minister will be elected. 'Arafat, who is running for prime minster, and who today had an extremely busy schedule, was received early tonight by President Fernando Henrique Cardoso.

'Arafat arrived in Brasilia at 0300 today. At 0800, he had coffee with politicians and with relatives of Brazilian citizen Lamia Maruf, who has been serving time in an Israeli prison on charges of involvement in the killing of an Israeli soldier. At 1000, he visited the Senate and the Chamber of Deputies, where he was welcomed by politicians of various ideological leanings, ranging from Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party- Bahia] and Workers Party [PT] Deputy Maria Laura (DF) [Brasilia].

At noon, 'Arafat met with Brasilia Governor Cirstovam Buarque. Later, he held a private meeting with Luiz Inacio Lula da Silva and [PT President] Jose Dirceu. An advocate of the Palestinian cause and a friend of 'Arafat, Lula hinted at praising the Brazilian administration's initiative to support the future Palestinian state. Lula said: "What they need now is concrete aid and, if Cardoso did that, he would certainly have the support of most Brazilians."

At 1500, 'Arafat met with Sepulveda Pertence, chief justice of the Brazilian Federal Supreme Court. [passage omitted]

Government Drafting 'Stiffer' Antinarcotics Law

PY2710180295 Rio de Janeiro Rede Globo Television in Portuguese 1515 GMT 27 Oct 95

[Report by Ismar Madeira; speakers identified by screen captions]

[FBIS Translated Text] Brazil is on the international drug route; a total of 11 tonnes of cocaine and 18 tonnes of marijuana were seized in 1994; the Federal Police [PF] pressed charges against more than 2,200 people; and yet Brazilian laws are nearly 20 years behind the times and are unfit to face the organized drug traffickers who control the Rio de Janeiro shantytowns and defy the police.

A new antinarcotics draft law will submitted to Justice Minister Nelson Jobim today. The proposal will be open

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to suggestions by the people before it is submitted to Congress.

The proposal has more detailed provisions in terms of punishments and envisages stiffer sentences. The current antinarcotics law treats international traffickers and addicts alike. They may be sentenced to prison terms ranging from three to 15 years.

The new proposal provides stiffer punishments for traffickers. If an addict is not involved in trafficking, he will pay a fine and undergo treatment. Small traffickers will be punished with prison terms ranging from one to three years. Leaders of organized drug rings may be punished with 10 to 20 years in prison; that is, five more years than they would get today.

The proposal, which is being finalized at a meeting of the Federal Antinarcotics Council [Conselho Federal de Entorpecentes], also allows phone wiretapping and the lifting of fiscal secrecy. Under the new proposal, banks would be expected to report any operation suspected of involving money laundering.

[Begin Federal Antinarcotics Council President Matias Flach recording] Traffickers now use computerized gadgets and advanced communications techniques to make intercontinental contacts. Thus, Brazil can no longer afford legislation that is totally unfit and obsolete to deal with this type of crime. [end recording]

Justice Minister Views Mechanisms To Fight Money Laundering

PY2510190895 Rio de Janeiro O GLOBO in Portuguese 22 Oct 95 p 54

[Interview with Justice Minister Nelson Jobim by journalists Rossana Alves and Paulo Tupinamba in Brasilia on 20 October]

[FBIS Translated Text] [O GLOBO] Is it possible to effectively fight money laundering in Brazil with the current legislation?

[Jobim] We must have specific legislation for that. To this end, a special committee has been set up at the office of the chief of the president's civilian household to discuss the drafting of a new law, which is expected to be ready by the end of this year. I have compiled all of the relevant laws from the United States and Europe, which have experience in this area. It would be pointless to try to invent new things now; we ought to base our proposal on what already exists in the world. This would require the lifting of the bank secrecy guarantee; a provision to this effect has been included in the tax reform proposal submitted to Congress by the administration. For instance, a taxpayer must report every operation amounting to more than $10,000, whether it has been implemented through a bank or not.

[O GLOBO] Which countries will serve as models for Brazil?

[Jobim] The United States, Great Britain, France... I believe we cannot do less than those countries having a strong currency and a stable economy because today these types of crimes have become internationalized. It would be pointless to pass an exclusively Brazilian law that would be out of keeping with those of other countries. As a result of their integration within Mercosur [Common Market of the South], the Brazilian legislation could not be quite different from that of Argentina. Since the advent of the Cardoso administration, we have worked on a proposal negotiated with Venezuela and Argentina. By engaging in a fine-tuning exercise among the three countries, we will be able to formulate a Latin American policy to fight drug trafficking and money laundering.

[O GLOBO] Which are the major shortcomings of our current legislation?

[Jobim] Our laws do not take into account the money laundering issue. That is: Our legislation is lacking. Earlier, as a result of the high inflation rate prevailing in Brazil, we did not have any money laundering problem here because it would have been insane to exchange drug-generated dollars for cruzeiros. I would not say that there are shortcomings, but rather that there is no mechanism to fight money laundering.

[O GLOBO] Are you trying to set up a central data collection agency in Brazil following the mold of the Financial Crime Enforcement Network of the United States?

[Jobim] The separation of powers existing in the United States is not like that of Brazil. In the United States, agencies like the above have semi-legislative powers that allow them to exercise regulatory and disciplinary actions. We cannot have that type of agency in Brazil.

[O GLOBO] Do you believe Congress will pass the constitutional amendment making the bank secrecy rule more flexible?

[Jobim] It is still too early to know. The problem does not lie in the amendment, but in the law that is to be issued later. The amendment states that Federal Revenue Secretariat [SRF] officials may request banking documents under a law that will be proposed later. In a case brought to the Federal Supreme Court by the Bank of Brazil [BB] against the Attorney General's Office, the STF ruled — by a vote of five to four — that the BB

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must supply the documents on financial operations performed by sugar mill owners. A five-to- four vote is a close one and, if the STF composition changes, the vote may change accordingly. Thus, there is no guarantee that the lifting of the bank secrecy rule may be implemented without a court order.

[O GLOBO] Why does Congress continue to resist the proposal to make the fiscal and bank secrecy rule more flexible despite the four proposals made to this effect during the past three years?

[Jobim] Congress is not resisting. The problem is the fear that the lifting of bank secrecy could bring about fiscal terror. Past practices come to the fore here: fine-tooth comb inspections and operations are mentioned... Thus, everyone is afraid that the lifting of the secrecy rule might give way to fiscal terror, including during electoral campaigns.

[O GLOBO] Without the lifting of the bank secrecy rule, would Brazil be moving toward becoming a money laundering center?

[Jobim] I believe Brazil has not yet become a money laundering center. Yet, if we continue to lag behind other countries in terms of monitoring financial operations, we will soon become a haven for illegal capital.

[O GLOBO] What is going to happen if Congress does not approve the amendment making the bank secrecy rule more flexible?

[Jobim] We are going to have to create other mechanisms. When the STF talks about secret data, it is not saying that this is an absolute right, but one of a relative nature. Hence, we ought to have a new law that would emphasize the concept of relative rights because, if the secrecy rule prevails, we will neither be able to learn about bank operations, nor inquire about why the operations were made.

[O GLOBO] The Central Bank has been charged with instituting very flexible rules concerning the banking accounts of foreigners in Brazil under the CC5 [Circular Letter No. 5, which allows foreigners to open accounts in Brazil]. Wouldn't it be appropriate to close these accounts?

[Jobim] We cannot lay down rules that would prevent citizens from moving their assets. What we need to do is to set up mechanisms for keeping an eye on these operations.

[O GLOBO] Would you also support tighter rules for CC5 accounts?

[Jobim] I wouldn't know that because I do not know how the CC5 accounts work.

[O GLOBO] Does the administration intend to hold banks accountable for financial crimes?

[Jobim] The new law will hold banks equally responsible for these crimes.

Strategic Affairs Secretary Views Future Alliances

PY2410151095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 95 p A2

[Article by Ambassador Ronaldo Mota Sardenberg, secretary for strategic affairs of the Presidency of the Republic: "Strategic Alliances and the Future"]

[FBIS Translated Text] A broad political space for a profound debate on prospects for the future of Brazil and the strategic alliances that we will have to build inside and outside the country is shaping up. We cannot expect complete unanimity in this debate, but we expect significant convergences among the country's different currents of political opinion. A frank debate is now beginning. There is no space in it for simplified, limited, or distorted interpretations.

Globalism, which is the emblem of a new stage of international capitalism, has the characteristic of deeply penetrating all areas, both public and private. Globalism is not aimed at any country, but it undoubtedly brings about results that disorganize the "local" economies, and causes the social exclusion of large masses and even entire classes and countries. It is not by accident that the group of relatively less developed countries, which are internationally recognized as the poorer among the poorest, increases all the time and already comprises 47 nations.

Thus, Globalism has its obscure side, and the international economy has other trends: Side by side with globalism, strong initiatives of regional characteristics have been taking form, particularly in the last few years. Globalism is not a simple extension of the centuries-old relations between the center and the periphery. This relation is undoubtedly going through radical changes and, in the future, will be very different from what we have known it to be in the past.

In conservative as well as in progressive social science, there has been a tendency to assert that the state will lose its value, or cease to exist, as a result of this or that social or economic macro phenomenon. This tendency's most recent form resulted from the establishment and proliferation of multinational enterprises. The actions of these enterprises are now linked to globalizing trends. Political and economic reality, however, have been bravely resisting the consequences of this "chronicle of a death foretold" [reference to novel by Gabriel Garcia Marquez] and, in the developed as well as the

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developing world, the state continues to play the role of an indispensable protagonist in internal and external processes.

We are all forced to think in terms of states and of political mediations instead of thinking only about more or less anonymous forces or trends that move within the triumphant capitalist system — which is, at the same time, in crisis. It is an extremely impoverished analysis of the government's possible actions in this historic moment to believe that the Brazilian State is, at the domestic level, but a simple coordinator of efforts seeking to put the country and the people at the service of the forces of capital.

The bare and crude truth is that a new international macrostructure is being quickly shaped. Perhaps we are even going through a transition as important as the one that led us to the modern age. A new First World is being articulated; it will be high-tech [preceding two words in English] and concerned about maintaining its privileged position in the international system. A new Second World is also being created by countries that are swiftly becoming industrialized and following the model of the Asia-Pacific countries. A new Third World, which will be mostly excluded from the current capitalistic revolution until it is again inserted (but in new terms) into the international economy, is also going through an important transition. These changes will occur either peacefully or through wars.

The Brazilian (rather: South American) anguishes are related to the country's position within this new macrostructure. This position will depend on the way the country programs its future, on whether these plans seek only to maintain the country within the competitive process or are also meant to swiftly improve the country's position in the post-Ford and post-modern-age world, which excludes those who cannot compete. Immediate answers to these anguishes are: the participation in drafting the international agenda, as well as in the international decisionmaking processes; and the establishment of varied strategic partnerships.

Simultaneously with promoting the long-term permeability of the new borders of the First and Second Worlds, we must also reinforce our ties with the tardy countries and get ready to swiftly and politically include Third World issues on the agenda of the large international organizations.

We should not think that the Brazilian state can be limited to the role of an internal coordinator of the global process. It is enough to look into the mirror of the Asia-Pacific countries to realize that this image of the State is not necessary. The political equilibrium and economic stability the government is daily promoting are valuable achievements in themselves, and serve to substantiate abroad the efforts the government is making to transform the country, as a whole, into a competitive nation. In the international field, the government must look for strategic partners of the most varied types. Thus, the path we must — necessarily — tread will become more feasible. Considering the globalized environment, it would be ineffective to adopt immobility, i.e., to try to remain immobile as regards the need to implement changes, or to repeat past actions.

We are living in times of change and it is not enough to adjust to variations of the global reality after they take place. We must jump forward, must adjust to reality in advance, and this will only be possible if we strengthen the state of law and its sovereignty. In the democratic system, the state's jurisdiction — i.e., its sovereignty — derives from the sovereignty of the people and belongs, therefore, to all. According to the democratic principle of a legitimate mandate, sovereign power is exercised by the officials elected by the people and by the people alone.

We should not suppose, in a distorted manner, that the government is oriented by some foreign model, or that it passively admits the international trend of accepting unemployment. We should not believe that the government is unconcerned about the signs of sociopolitical degeneration that may or may not result from the globalization process. The government is organizing itself to comply with its political duties and its responsibility to compensate for social and regional imbalances. It is also complying with its indeclinable duty to orient, regulate, and supervise the economy. In the longer term, the government is beginning to coordinate debates on the national project and on the vision Brazilian society has of its future. This is the content of the insistent messages President Fernando Henrique Cardoso has been imparting to all Brazilian citizens.

Central Bank Head Blames Exchange Drop on 'Speculation'

PY2810020195 Sao Paulo AGENCIA ESTADO in Portuguese 2258 GMT 27 Oct 95

[By Vladimir Goitia]

[FBIS Translated Text] Sao Paulo, 27 Oct (AE) — Central Bank President Gustavo Loyola has said that the steep drop in Latin American stock exchanges (Brazil, Mexico, and Argentina) on 26 October was caused by "pure speculation and exacerbation" in the market. In a brief interview over the phone from Buenos Aires, Loyola today told AGENCIA ESTADO that those

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fluctuations in the stock exchanges are temporary and that they should not produce any concern.

He also emphasized that the Brazilian financial system is quite sound. In his opinion, the problems that have appeared in Mexico, Argentina, and conseqeuntly, in Brazil, cannot be compared, because each country is trying to adjust its financial system after long periods of strong inflation. "We are going through a period of adjustment," Loyola said.

During his stay in Buenos Aires, where he attended the dedication of two Itau bank branches, Loyola met with Argentine Central Bank President Roque Fernandez. Loyola said it was a "merely formal" visit. He said, however, that the agenda included discussion of the mechanisms that the Menem administration created in order to facilitate bank mergers, and the procedures to prevent money "laundering."

Fernandez gave Loyola some explanations on the new system of compulsory bank deposits, which was implemented four months ago. The Argentine system, for example, permits variable remunerations for compulsory bank deposits. The Argentine Central Bank pays an annual interest rate of 5.15 percent on one-day deposits. The interest rate jumps to 5.50 percent for six-month deposits.

Fernandez also referred to the Argentine bank deposit insurance system. In order to implement the system, private banks created Deposit Insurance, Inc. (Sedesa), with funds worth $2 billion. The funds are managed by the private financial system, without any participation on the part of the Central Bank or the government. All those steps are part of the modernization program of the Argentine financial system.

Brazilian Planning Minister Jose Serra was scheduled to meet with his Argentine colleague Domingo Cavallo at 1930 (2030 Brasilia time) at the Argentine Economy Ministry building. The agenda included discussion of the Brazilian decision to maintain the 70-percent car import tariff in 1996. Serra and Cavallo were also due to attend a dinner reception hosted by Itau Bank at the Brazilian Embassy in Buenos Aires.

Scope of Underground Economy Surveyed

96SM0004A Sao Paulo VEJA in Portuguese 6 Sep 95 pp 90-99

[Article: "Invisible Wealth"]

[FBIS Translated Text] *Ignored by official statistics, 30 million Brazilians are earning money and producing more than $200 billion annually in the informal economy.*

Brazil discovered long ago that it had an illegal market that was evading taxes and not being recorded in official statistics, but only recently was the size of that underground animal realized. According to conservative calculations, the Brazilian informal market is three times larger than the Portuguese economy and equals that of all of Sweden. In very few countries of the world is there underground energy as productive as that in Brazil. From the standpoint of tax collections, this is very bad because the national treasury would collect a lot more if that army of informal workers were included on the list of taxpayers. From the social standpoint, the illegal market is very helpful because it provides an income and more decent support for something like 30 million Brazilians, according to current estimates. As far as official statistics on employment, incomes, consumption, or level of comfort are concerned, you can just forget it. As portrayed in figures from the Brazilian Institute of Geography and Statistics [IBGE] and transferred into analyses by economists and sociologists, Brazil is a blurred image of the real Brazil. The country revealed in the figures is much poorer than the country that actually exists. "When you talk about the informal economy, the figures are always subject to much controversy, but Brazil is not as bad off as the official statistics say it is," says former Minister Mario Henrique Simonsen.

The middle-class Brazilian shows understanding for his friend the dentist who does not issue receipts, and he tends to despise the vendor who sells candy at the open-air market. He ought to be more demanding of the dentist and pay more attention to the vendor, who, when all is said and done, works harder than a teacher or a bank employee—and certainly earns more than either one. To feel the strength of the informal market, one need only look around one. Who has never bought a nail clipper, toy, pan, T-shirt, or bag of popcorn from a street vendor? All of that comes from informal industry and trade. It should be noted that the seamstress has two or three helpers, and it is possible that no one in her workshop is registered with the Ministry of Labor. The minibus owner parks at the curb to sell corn tamales in Sao Paulo and green coconut in Rio de Janeiro, and the Federal Revenue Secretariat is not informed of that source of income. Many other things circulate through the Brazilian economy without being officially recorded. The plastic bucket at the market, the wicker chair offered in the street, the cassette tape sold by a street hawker, and the clothes brought from Santa Catarina by a "shopping bag woman"—it all helps to keep activity going in a world that produces, sells, and buys on the sly and generates a fortune of at least $200 billion every year.

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That is a rock-bottom estimate. Some economists who study the matter say that the informal economy currently produces at least $250 billion more than the officially acknowledged GDP [gross domestic product] of $530 billion. Some estimates put the figure at $300 billion per year. Since the parallel economy is not part of the official statistics, government policies are worked up in Brasilia for a country smaller than the one that actually exists. Company strategies are also based on an underestimated world. According to data from the IBGE, which is the institute in charge of keeping track of the country's population and wealth, 30 million people do not earn enough money every month to fill one basic shopping basket. It is as though three Somalias existed within Brazil. It takes little more than common sense to conclude that that figure reflects statistical delirium.

It is possible to find many poverty-stricken people in Brazil, but those skeleton-like multitudes one sees in African countries experiencing civil war do not materialize here. In a country which, because of its statistical incompetence, misrepresents the figures on street children or child prostitutes, there is nothing more natural than that reality should also be distorted when it comes to the population's socioeconomic profile. "Government statistics detect only a part of reality. If that were not so, Brazil would have already collapsed," says economist Nelson Barrizzelli, a professor at the University of Sao Paulo. Barrizzelli discovered that something was wrong with the government figures in 1988. In that year, according to the IBGE, Brazil's GDP dropped by 0.3 percent. But studies by consulting firms regarding the performance of the country's largest companies showed that sales and profits were up. The professor set out in search of other, regional studies and came to the conclusion that there had been growth everywhere and that the sum of the parts showed a result very different from the picture presented by official charts.

The tradition-minded IBGE is not as guilty as might be imagined. Its researchers look at Brazil from above, like someone who looks at a city's avenues and streets by leaning out the window of an aircraft. The alleys and side streets are not in view. The IBGE has neither the funds nor the personnel to find out what lies beneath the surface. It cannot even keep its surveys up to date. In the case of the economic census, which is supposed to be taken every five years, its work is now disturbingly behind schedule. The last survey dates from 1985. Since then the Brazilian economy has had seven economic plans, and with every turnaround promoted by the laboratory of government economists, one country vanishes and another is born. Even in implementing the Real Plan, which has seemingly been so free of sudden surprises, the economic ministers, Pedro Malan and Jose Serra, are managing to turn everything upside down every three months. In the chaos that is Brazil, the entire industrial structure underlying calculation of the GDP is based on the 1985 census. Beginning with the Real Plan, everything became more complicated. The lowering of inflation caused a sudden transfer of income to the working classes, the informal market exploded, and none of that has been recorded in the national statistics.

"We are trying to capture the informal sector of Brazilian life," says IBGE President Simon Schwartzman. Last week the institute sent the first troop of employees into the streets with questionnaires for a survey that will cover the alleys and side streets. It will be used to determine the difference between the mirage and reality. The problem is that the mirage has created a view of Brazil that has lasted many years. It is embedded in academic studies, political discourse, and economic diagnoses. Let us look at one example of that mythological construction. Traditional studies always showed that Brazilian expenditure on manpower accounted for 65 percent of GDP. That percentage dropped steadily during the 1980's. It stood at 42.45 percent in 1985, and projections based on the IBGE's data in 1990 indicated that that expense had plunged to an even lower point: to only 30 percent of GDP. In other words, the firms had reduced their labor costs by 30 percent in 10 years' time.

The IBGE's data may mean that people are earning much less or that the number of unemployed has soared. Or that both things have happened at the same time and Brazil is on the verge of collapse. But is that what we see? According to the employment survey conducted by the Seade [State Data Analysis System] Foundation and the Dieese [Interunion Department for Statistics and Socioeconomic Studies] in Greater Sao Paulo, what has happened is that people have found other ways to make money. Wage-earning labor is losing its importance, and the type of economy that the IBGE does not see is growing in Brazil. In Greater Sao Paulo as of July of last year, according to the Seade's data, 2.4 million people were working without being registered or as self-employed individuals. One year later, the number of unregistered workers had grown by 7.2 percent. While the wages of wage earners dropped by 12.6 percent, the incomes of those working without being registered or as self-employed individuals rose by 18.7 percent.

The informal economy in Brazil works miracles such as that found in a typical Brazilian family living in Sao Jose dos Campos in the interior of Sao Paulo State. The head of the household is named Joao dos

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Santos. He is 67 years old and owns a rather successful tailor shop. He has never registered his business or hired an accountant. "I do not know if it is worth the trouble to fiddle with paperwork. I will have too much work. I do not know if what I earn will pay for the effort," he says. Joao dos Santos has three sons who also work in the informal economy. All of them once worked for Embraer [Brazilian Aeronautics Company], the Brazilian aircraft manufacturer that laid off 8,000 employees as part of its privatization. The result of that thinning out of Embraer's payroll is that many families in Sao Jose dos Campos are involved in the informal economy. Of Joao dos Santos' sons, one films weddings, another rents out sound equipment to bands performing in the city, and the third helps his father in the tailor shop.

Several studies confirm the strength of that underground world. One such study was published by InterScience, a Sao Paulo consulting firm providing services for Ciba Geigy, Dupont, and Bombril among its many other clients. Its permanent staff includes 30 analysts, among them sociologists, psychologists, statisticians, and economists. According to InterScience, one of the questions worrying its clients at the end of last year was the economic boom being caused by the Real Plan. Sales had soared, and the firms wanted to know whether that was a temporary phenomenon—a buying fever attacking the same consumers as always—or whether in fact a new market was emerging as a result of an active new force.

InterScience sent its researchers into the streets with the following instructions: they were to start with the IBGE's basic questionnaire and then make a detailed breakdown of the answers. Like this:

1. Adding all your income together, how much do you earn per month?

2. Are you including holidays, the 14th month of pay, and bonuses?

3. Doesn't your wife earn anything by providing a service of some kind? What about your children? And in your spare time, don't you do some odd jobs? Adding it all together, how much do you get?

Questions like that were used to interview 500 families of all social classes in every region of the country. The study resulted in an income pyramid very different from the official one. "The questions asked by the IBGE are very general. We discovered that people were not reporting everything they earned. As the informal economy grows, the IBGE becomes less accurate in portraying Brazilian reality," says Paulo Secches, managing director of Interscience.

The firm discovered that destitute families living on less than one minimum wage number not 4.2 million, as the government's studies indicate, but 2.8 million. Those considered to be low-income families earn the equivalent of $748 on average and represent 54 percent of the Brazilian population. Contrary to what is thought, they are people with purchasing power. What neither the government nor the firms realized, and what this survey showed, is that whereas the amount of income available for monthly consumption by all rich Brazilians (earning an average of $14,423 per month) totals $5.3 billion per month, or $63.9 billion per year, people with low incomes can spend over $17 billion per month, or $205 billion per year.

The disparity in incomes still exists, the social divide is an outrage, and the ruling elites who set up that irresponsible model are demonstrating that they lost their sanity somewhere along the path followed over the past 30 years. None of this alters the fact that in the Brazilian population, there is more purchasing power than anyone imagined. Using other means—comparing the growth in the Brazilian GDP with levels of electricity consumption and cement sales, among other things—Barrizzelli came up with a similar figure that probably reflects the amount of money moving through the informal economy: about $250 billion per year. "That money circulates in a world that does not show up in congresses of economists or in the government's statistics," says the professor from the University of Sao Paulo.

It is natural that a realm as unsteady as the underground economy should create disagreements among economists. Claudio Considera, director of the Applied Economic Research Institute (IPEA), feels that the economy in question is smaller than claimed and that, moreover, it is not very productive. Rio de Janeiro sociologist Sergio Abranches, who is a consultant to several firms, feels that there is a degree of exaggeration in the air but says the informal economy should not be underestimated. "There are fewer poor people in Brazil than is claimed and more income than is announced. The population's purchasing power is also not what the statistics say it is. The figures are understated," Abranches claims. He himself has had clients who underestimated the market based on government statistics and had to reassess their operating strategies. Former Minister Mailson Nobrega estimates that the parallel economy represents some 40 percent of the country's GDP, and economist Alice Kalyvas de Carvalho, a former official in the Planning Secretariat who now works for the Federal District Secretariat of Finance, asserts that it amounts to over 50 percent of GDP.

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The ordinary citizen is left with a sense of caution—and two eyes to see with. From the government's viewpoint, Santa Cruz da Baixa Verde in the Pernambuco backlands is no more than a collection of shacks inhabited by people with no source of income besides the monthly allowance they receive from the Municipal Investment Fund. In Santa Cruz da Baixa Verde, no one pays income tax, almost no ICMS [goods and services movement tax] is collected, and the town's 12,000 residents swell the statistics on the destitute. The reality is very different. Those people earn a living by making brown sugar candy in informal sugarmills. No one realizes it, but they produce 3,300 metric tons of that candy per year, representing a sales volume of 1 million reals—15 times as much as the town's share of the Municipal Investment Fund, or 250 times as much as the amount of ICMS which Santa Cruz collects from the state. Their brown sugar candy pays not a penny in taxes, and 90 percent of the town's population makes its living by producing it. "We have a rich municipality and a poor municipal government," says Mayor Armando Nunes.

On the other side of the country, in Santa Catarina, there are entire towns making a living by producing knitted clothing in the informal economy. And workers are engaged in the most unbelievable underground activities. Ecegel Glasenapp, a resident of Jaragua do Sul, is a 37-year-old man who has worked as a bookkeeper for a car dealer and was head of a metallurgical plant. Today he runs a different business. He receives no salary and does not punch a clock, but he earns 4,500 reals per month. Ecegel dries duck feathers purchased from duck breeders, who do not use the material, and sells those feathers to (underground) pillow factories. Ecegel owns two automobiles—one for work and the other for pleasure—and a spacious home where he lives with his wife and two children. The family also owns a small farm on which Ecegel wants to build a larger oven so he can do more work. "I am going to become the feather king," he says.

Everywhere in the world, official figures have trouble portraying reality. The informal economy in the United States is estimated to equal 12 percent of GDP. It is much bigger in Italy, where it has been estimated at as much as 70 percent of GDP. The International Labor Organization calculates that 300 million people throughout the world work in the underground economy. Brazil has 10 percent of those people. It is naturally difficult to keep up with everything they are doing. According to the government's figures, duck feather king Ecegel Glasenapp is unemployed. In real life, he is a businessman in the informal economy. "How can one explain the fact that the increase in the number of jobs in Brazil is not keeping pace with the rate of growth in the economy?" asks Pedro Paulo Martoni Branco, executive director of the Seade. "The thing that pulled the country forward was the informal economy," he says. But is that possible? Yes. The informal economy includes the seamstress, the mender of pots and pans, barter deals, operations in foreign currency, company secret funds, sales made without a sales slip, the underbilling of exports, and the salary paid abroad to the manager of a multinational firm. Half of Brazil's agriculture is part of that world, as are the doctors and dentists and all the other businesses that evade taxes imposed in Brazil, and that includes smuggling.

Those are difficult activities to measure, but everyone who devotes himself to looking into that side of the Brazilian economy agrees that it is growing. And it is growing chiefly in those areas farthest removed from crime—that is, not in smuggling or in the use of secret funds, which have been more or less contained since imports were deregulated and the torrent of complaints that began with the P.C. Farias case back in the days of the Collor administration inhibited illegal deals in the firms. The informal economy is growing and becoming more complex in the ordinary production of wealth and services. "Wages lost purchasing power last year, and a growing number of people are finding little ways to get around that difference by providing other services," says Alberto Borges Matias, professor of administration at the University of Sao Paulo. It is growing under the government's nose and goes unnoticed.

An exemplary case is that of waiter Nerivaldo Goncalves. He has been working for eight years in the Ministry of Finance, where he serves the minister's staff. He earns 270 reals per month. Three years ago he decided to earn a little extra by selling sandwiches and soft drinks to employees inside the ministry building. Doing so enables him to pay his rent and enjoy a little rum on weekends. Nerivaldo, who makes money in the building where the Federal Revenue Secretariat is located, pays no taxes. Like him, there are millions of Brazilians older and younger than Nerivaldo who supplement their tight incomes in that way. One might say that they are jumping into their own businesses, no matter how small.

When one thinks of the informal economy, the picture that immediately comes to mind is that of a network of small manufacturers on one side and, on the other, the vendor selling small items on the street. As far as Brasilia is concerned, all those network members are not significant enough to merit individual attention. The municipal and state governments take the same attitude, showing the proper tolerance toward those too small to monitor and too poor to punish. It is the gathering of all those people in their hidden society that creates the

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big anthill. Not much can be done, and in any case, those informal earnings eventually end up in the formal economy when the plumber or brickmaker spends his money at the supermarket or the shopping center.

The informal economy sets up its showrooms at well-known locations in Brazil's big cities. Wandering through one of them can be an interesting experience for an inhabitant of the formal world. Sao Paulo's Bras neighborhood, which is one of the biggest trading centers in Latin America, is visited by about 250,000 people every day, and they always buy something. In Concordia Square alone—a huge square located at the entrance to that neighborhood—700 itinerant peddlers are at work. There they sell everything from Swiss watches and Chinese pocket knives to brassieres, wool jackets, matches, and tools. It is in Bras that "shopping bag women" and itinerant peddlers from all over the country and even from Argentina and Paraguay obtain their supplies. They, and the working people passing by to catch the subway or train home, are the street vendors' customers. "Anyone who tries the informal economy never wants to be a store employee again. You earn more as an itinerant peddler," says Carlos Silveira, founder of the first union for informal workers in Sao Paulo. In the city, according to union data, there are currently 250,000 itinerant peddlers (from popcorn vendors to street vendors)—30 percent more than before the Real Plan was introduced.

The street vendor is merely the tip of a huge production structure. There is not a street market anywhere in Brazil where pirated brands of such perfumes as Chanel, Eternity, Azarro, and Giovanna Baby are not sold. The socialite in Leblon would never leave home wearing even a drop of that chemical product, but many women like it and buy it. Murilo Gurgel Praxedes of Sao Paulo is one of those who earn their living by multiplying fragrances. Married and the father of two daughters, Murilo was once a salesman for large companies. Ten years ago he decided to go to work for himself. He bought essences from small importers and started producing perfumes.

He began by selling from a vending stall. Today he owns a shop in the Penha neighborhood in Sao Paulo's Eastern Zone, where he sells all kinds of knickknacks. That is the formal side of his life. Operating in the back of his shop and in his backyard at home is the informal side: the perfume factory. He produces 1,000 bottles per month at prices ranging from two to six reals and has a network of distributors: 100 people earn their living by selling his merchandise door to door. Murilo's business also employs seamstresses to make the little bags containing the perfume bottles, a printing plant for the labels, the bottle factory, and the channel through which the essences are imported, it is a real machine. In 10 years of work, Murilo has bought his own home and owns a car. "As a salesman, I would not have had any of that," the perfume maker says.

Vera Lucia Correa de Mello of Rio de Janeiro, a former keypunch operator for the IBGE (where she earned two minimum wages), also operates a sizable economic network. With three children to raise and no support money from her former husband, she began making and selling crocheted items. Today, 15 years later, Vera is captain of a battalion that produces rugs, curtains, nets, pillows, and towels. She hires the services of tens of people in Rio de Janeiro, Bananal in the northern Fluminense, and Campina Grande, Paraiba. Helped by her three sons and two daughters-in-law, she also heads a chain of eight market stalls scattered around the city of Rio de Janeiro. Her businesses are managed by computer.

The explosion in the informal market is a phenomenon typical of an unstable and poor economy. The thing that is really good, both for people and for countries, is to live within the rules by paying the taxes one owes and respecting the labor rights of one's employees. The only problem is that doing so is not always possible. "In a situation where the economy is unstable, many people ensure their survival and dignity in the informal economy," says Mailson da Nobrega. "In times of crisis, it is also a sign of vitality in the economy—proof of the adaptability of part of society. But in the long run, a country cannot be organized in that manner." People move into the informal economy because there are no other options—but they also land there out of pure rascality. There is also the case of the worker who has a business so small and so typically underdeveloped that he could not possibly find a way to register his business on the regular surface of the economy.

Lindinalvo Ferreira dos Santos, 42, a paper collector in Sao Paulo, is in that situation. Anyone who sees Lindinalvo pulling his cart full of paper thinks he is destitute. But a paper collector earns more than a housemaid wearing a pretty uniform and working in the affluent Morumbi neighborhood. By collecting 400 kilograms of paper per day, Lindinalvo earns 100 reals per week and supports his wife and 10-year-old son. He entered the paper business a year ago after being fired from a construction site where he worked as a clerk. Life is hard for him, but it has improved. "I discovered that collecting paper in the street pays better than working for someone else," he says. That Brazilian, who spends his days doing a tough job, is the humblest link in an economic chain called paper recycling. Above the collectors are the middlemen who buy the paper and

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resell it to warehouses. It is from those warehouses that the material finally ends up in industry.

Those long-suffering people—privates, like paper collector Lindinalvo, in the GDP army—earn only three or four minimum wages and are not even noticed in the street by the inhabitants of the hygienic world on the surface. But it is a mistake to think that they are completely outside the productive machinery. This is made clear in an annual survey conducted among 26,000 individuals in nine Brazilian capitals by the marketing research firm, Marplan Brazil. Last year Marplan discovered that the population earning up to five minimum wages has a reasonable potential for consumption—and that potential is growing. Over the past eight years, the number of low-income people owning a color TV set and a washing machine has almost doubled. A very small number but one large enough to be recorded (one percent of those polled) already have microwave ovens, an item of equipment that was completely absent from the homes of this class of people back in 1986.

Other interesting conclusions can be drawn from that survey. Marplan discovered that between 1986 and 1994, the percentage of those earning up to five minimum wages declined. Their number dropped from 39 percent of the total of 19 million people represented in the survey to only 34 percent. On the other hand, more of them are now earning from 10 to 30 minimum wages. The figure was 24 percent; now it is 29 percent. "Many prices have dropped, and people have started buying products giving them status. In addition, the population's income has risen," says Hilda Wickerhauser, who is in charge of Marplan's survey. "The informal economy is of tremendous importance to the country, and it does not show up at all in the government's statistics."

The world of the informal economy has room for all kinds of people—including the dual-personality types who work somewhere as employees for part of the day and then engage in a side activity the rest of the day. Edivaldo Oliveira da Silva is a mathematics and science teacher who teaches at a state school in Sao Caetano do Sul in Sao Paulo's ABC area (Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul) at night. As a teacher, Edivaldo earns 223 reals per month—not enough for the kind of life he wants to provide for his wife and three children. It is also not enough for a man with the kind of formal education he received. Edivaldo reads newspapers, is an articulate person, and has a middle-class outlook, but his income as a teacher is in the same class as that of an unskilled worker. To maintain a more suitable standard of living, Edivaldo has been selling panties and brassieres from a street stall for the past five years. During the day, he lives informally in the midst of lingerie. At night he goes to the blackboard at school. At 1800 hours, when he shuts down the stall, Edivaldo pockets about 75 reals. His monthly sales from the stall total 1,900 reals, giving him a profit of over 600 reals (about three times what he earns at the school). In the IBGE's statistics, Edivaldo is included among the 26 percent earning from two to five minimum wages per month. In real life, he is among the 11.4 percent earning from five to 10 minimum wages per month.

More amazing is the statistical invisibility of Aristeu Loschi, a retiree in the Minas Gerais town of Barbacena who, in the world of the official mirage, survives solely on his pension from the INSS [National Social Security Institute]. In fact, however, he earns 10,000 reals per month by growing roses on his small farm. Aristeu does not file an income tax return, much less issue sales slips as a rural producer. The effect of that almost general official blindness is that when purchasing power increases among the poorest classes of the population, few people notice. That is what is happening now, and in addition to the studies made by private firms, there are other signs that the poor are becoming less poor.

The Housing Secretariat of the Municipality of Sao Paulo and the FIPE [Economic Research Institute Foundation] have been collecting data on the incomes of shantytown dwellers in the Sao Paulo capital since 1973. Last year they discovered that 35 percent of shantytown dwellers had incomes exceeding five minimum wages (there had not been even one such case back in 1973). The more skeptical might say that what has happened is that the middle class has become so tremendously impoverished that it has moved to the shantytowns. That has in fact happened, but not on a scale large enough to explain the change measured by the FIPE.

Three of Sao Paulo's largest shantytowns—Vila Prudente, Heliopolis, and Sao Remo—have undergone a visible transformation in recent years. Most of the houses are now made of brick, people have television sets and refrigerators, and many of them even have cars. There are bakeries, fruit and vegetable dealers, butcher shops, auto electric shops, mechanics, and—prepare to be surprised—even video rental stores. Algemira do Nascimento, a 59-year-old native of Alagoas, lives in the Sao Remo shantytown. She raised her eight children on her pay as a domestic servant. Today, with her children all married, she is raising three grandchildren. Four years ago she opened a bar and earns about 300 reals per month selling drinks to her neighbors. Her bar is as neat as a pin, and it has a color TV set that is on all day. The owner has plans to turn her business into a restaurant. Algemira has never heard of registration and taxes. Nor has she ever been bothered by inspectors; not that inspectors ought to meddle with a lady like Al-

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gemira. Doing so would be perverse and useless. "I live very well. I would not like to go back to working in a family's home," the shantytown dweller says.

It is easy to understand why the inspectors take no interest in tiny businesses like those. There is really no reason to draw such activities into the light cast by regulations. Their ecological niche is underground. When such a business grows a little bigger, it is the owner who does not want to get mixed up with Brazil's insane bureaucracy. To regularize a small business, it is necessary to provide about 50 documents. Then the citizen has to pay taxes and social security charges. When all is said and done, he will hand over about half of what he makes to the government. The first reaction by our small-time novice is to raise the price of what he produces. But then his merchandise begins to stay on the shelf. And it is hard to contend with competitors who are continuing to operate in the informal economy.

That crazy experience with the market is being encountered by a group of seamstresses in the Rocinha shantytown in Rio de Janeiro. They began producing clothing informally and were so successful that they entered Rio de Janeiro's Southern Zone and were even exporting to other states. At that point they decided to legalize their company. One of their customers in Porto Alegre, Marcia Toledo, owner of the Nation boutique, immediately decided to change suppliers. Marcia now prefers to buy fashions produced by seamstresses in Morro da Cruz, Rio Grande do Sul, who, because they are still in the informal economy, sell at lower prices. The seamstresses in Morro da Cruz produce their clothes from remnants they obtain from the mills. Their fashions are outlandish and covered with hanging folds, but they have become popular with Rio Grande do Sul's middle class, and Morro da Cruz has become a "designer label." "We do not produce fashions for people here on the hill, who think we are ****'bregas' [meaning unknown]," says Osvaldina Tittoni Lopes, one of the seamstresses. "We sew for the ladies downtown." The fact is that the informal market comprises more than the world of the down and out.

A decent country has a small informal market, but it is not just growth and the distribution of income that kill the informal economy. A country must take steps to ensure that it is advantageous to follow the rules—and that it is too risky to live outside those rules. Many activities tend to remain underground regardless of the environment they find themselves in. Others are not attracted to the formal economy because, from the standpoint of those concerned, it is not worth the trouble. Excessive taxes, inefficient collection and inspection, corruption, and bureaucracy encourage evasion. The poor use of public money is also used as justification in a country where free hospitals are considered butcher shops, pensions are a joke, and the government schools provide only a poor education when they are not on strike. As long as Brazil does not solve those problems, there will be underground activity everywhere.

Method of Calculation

Measuring the size of the informal economy is not an easy task. Generally, economists are able only to estimate the volume of money circulating in that market. Several methods are used for that purpose:

1. Consumption method—The consumption of electricity and other items reflecting growth is compared to the increase in the country's wealth. It is possible by that means to detect growth in parallel industry and trade. Using that method, Professor Nelson Barrizzelli of the USP [University of Sao Paulo] estimates the informal economy at 45 percent of GDP.

2. Tax approach method—This is based on audits by the Federal Revenue Secretariat projecting the level of tax evasion in the country. Today, private consultants such as Joao Alfredo Branco feel that it would be possible to get a more accurate idea of the size of the informal economy by looking at the IPMF [provisional tax on financial operations]. There is a calculation showing how much money should be circulating in an economy with a given GDP. The difference between the amount of money that actually circulated as measured by IPMF collections and the official GDP should equal the informal economy.

3. Monetary approach method—This combines bank deposits, wages, the income tax, income per capita, and the interest rate on term deposits to come up with a figure which, being different from GDP, indicates the size of the informal economy. This calculation was made by economist Alice Kalyvas, formerly of Seplan [Secretariat of Planning and Coordination of the Presidency of the Republic], who now works for the Federal District Secretariat of Finance. She estimates Brazil's informal GDP at $300 billion.

4. Labor force method—This method multiplies the number of workers without a signed labor card by the average income of workers to get an idea of the size of the informal economy. It is the method used by such organizations as the Seade. According to the IBGE, there are over 30 million unregistered workers in Brazil—that is half of the economically active population.

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Confusing Bureaucracy

In the United States, it takes a new company three days to begin operating. It can apply for a license by mail by filling in a single form. In Brazil, a new business does not open its doors in less than 30 days. When someone decides to swim in the sea of bureaucracy and leave the informal world, he loses from 30 to 40 percent of his sales. That money escaping from the businessman's pocket is spent on maintaining the cash book and paying the accountant and one's taxes. If someone in the informal economy had been earning 3,000 reals per month by manufacturing panties, at least 900 reals would be used to keep the firm operating legally.

The paperwork required to set up a regular business adds up to nearly 50 documents. There are Xerox copies of personal documents, registration with the Commercial Registry, a ground plan of the building where the business will operate, the IPTU [urban real estate and property tax], DARF [Federal Revenue Payment Form], registration with notaries, permits, and stamps. Because of the bureaucracy and the heavy taxes to be paid, Brazilians are discouraged from starting a business. Some people take the risk and then cannot pay the expenses. So they go bankrupt in midstream or return to the informal economy. Eighty percent of all small and micro-firms do not complete their first year of existence. Since the introduction of the Real Plan, the number of small firms closing their doors has increased: 4,489 did so in the first half of last year, compared to 5,341 in the second half.

There is one small firm for every 10 inhabitants in the United States. Chiefly because it is more difficult to be illegal there than here. There are not many ways to evade one's taxes, and anyone who gets caught is severely punished. In Europe, there is one small firm for every 25 inhabitants, and in Brazil the figure is one for every 42 inhabitants. That applies to the formal world. In the informal world, there are many more. An informal firm does not pay any IPI [industrialized products tax] or ICMS. Nor does it pay income tax. "The tax burden would have to be compatible with the size of the firm. That would encourage businesses to regularize their situation and prevent so many closings," suggests Irani Cavagnoli, director-superintendent of Sebrae [Service for Support of Small and Micro-Firms], an agency that provides guidance for small firms.

Who Are Informal Workers?

Three studies made in Sao Paulo, Belo Horizonte, and Porto Alegre have outlined the profile of the person working in the informal economy. The survey in Porto Alegre was conducted by the Rio Grande do Sul government's Economics and Statistics Foundation, that in Sao Paulo by the Trade Association, and that in Belo Horizonte by the Minas Gerais Secretariat of Labor. Researchers talked to hundreds of people in the metropolitan areas of those capitals to discover who the workers in the informal economy are, why they are in the street, how they work, and what they expect from life. Here are some of the results of those studies, which portray people living on the commercial side of the informal economy:

1. Most itinerant peddlers are migrants or people who have lost their jobs. In other words, most of them fell into the informal economy by accident.

2. Of those interviewed, 37 percent say they do not want to work as employees in any manner whatever. Conclusion: the informal worker may be pushed into that activity against his will, but once he tries it, he likes it and stays.

3. Of the workers in the informal market, 91 percent do not engage in any other activity. Employees who engage in it as a sideline are a minority.

4. Men account for 75 percent of the informal labor force.

5. Most informal workers are between 30 and 50 years of age. Over 50 years of age, it is more difficult to work up the energy and initiative required to be self-employed. Below 30 years of age, the illusion of a secure job predominates.

6. At least 15 percent started secondary school, and only two percent are illiterate. Contrary to the general impression, informal workers are not unskilled people or typical marginal individuals.

7. Of the total, 77 percent work more than eight hours a day. On average, informal workers work 45 hours a week. Being an informal worker does not mean ignoring the ordinary rules pertaining to working hours.

Roundup of Economic Reports Through 27 Oct

PY3010100995

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 27 October:

FINANCIAL OPERATIONS

The Parana State administration is negotiating investments amounting to $1.35 billion for the next few years. These resources, which will come from the World Bank and the Inter-American Development Bank, IDB, will be applied in environmental preservation, agriculture, and rural and urban infrastructure projects. The Parana

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administration is negotiating a $250 million loan from the IDB for infrastructure, paving, urban equipment, and public services, for which it will have to provide $166 million in matching funds. The state is also negotiating a $200 million loan from the IDB for a professional education program. According to the Industry and Commerce Secretariat, five important private investments amounting to $330 million were confirmed for Parana State for the next few years. For example, the New Holland Company will invest $50 million to expand its factories in Curitiba and Belo Horizonte. Equitel will invest $30 million in new products and technological innovation. The Rio Branco Cement factory will invest $15 million to enlarge its factory as part of an overall $60 million program. The Sadia group will invest $45 million in the expansion of two plants. Kaiser do Brasil Inc. brewery will invest $50 million in a new brewery. The Meneguette group will apply $51.4 million in sugar and alcohol processing. The leather processing center will be expanded at a cost of $22.4 million. Ardarm S.A. will invest $15 million in increasing its production of corn protein and fibers. (Sao Paulo GAZETA MERCANTIL in Portuguese 23 Oct 95 p A5)

FISCAL, MONETARY ISSUES

The total assets of the 331 pension funds that operate in Brazil last month reached $57.1 billion, which is equivalent to 11 percent of the GDP. Of that total, $46.6 billion correspond to public pension funds, while the remaining $10.4 billion correspond to private pension funds. These figures were provided by the Social Security Ministry, which reported, on 19 October, on the results of an operation carried out this year with regard to all the pension funds. According to the results, 287 pension funds are operating normally, two have been intervened in, eight have been closed down, five are under fiscal directorship, and 29 other funds were authorized to operate but have not yet commenced operations. (Sao Paulo GAZETA MERCANTIL in Portuguese 20 Oct 95 p B4)

The level of default of the financial system reached the record figure of 26.124 billion reals, R. The industrial sector was the one most behind in the payment of its debts, owing R8.399 billion. Central Bank figures reveal that since the Real Plan was implemented, defaults on obligations increased by 109.5 percent. The default level also increased among businessmen and individuals, whose debts increased since the implementation of the Real Plan by 320.7 percent and currently amount to R3.290 billion. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Oct 95 Business and Finance Section p 16)

On 23 October, for the third time this year, the Banco Real sold $120 million worth of Eurobonds that will mature in six years earning 11.5 percent annually for the two first years. "The good reception by the investors demonstrates that Brazilian bank and corporate issuances are returning to normal in the international market since the intervention involving the Economico Bank," said Banco Real Director Edydio Martin. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 Oct 95 p B3)

Antonio Imbasshay, president of Eletrobras, Brazilian Electric Power Company, Inc., today closed in Rio de Janeiro a deal with ABN- Amro Bank and Daiwa Securities to issue $300 million worth of Eurobonds in the United States, Europe, and Japan. Eletrobras already issued $250 million worth of Eurobonds, but the expectation of ABN Amro Director Fabio Colletti Barbosa is that this figure will increase by $50 million in the next few days in Japan. "The reception was so good that the offers increased, both in the United Stats and Japan," he added. Of the resources that will enter the Eletrobras treasury on 30 October, $130 million will be used to pay the Eletrobras foreign debt, while the remaining sum will be used in the company's investment program. (Sao Paulo AGENCIA ESTADO in Portuguese 2123 GMT 24 Oct 95)

TRADE ISSUES

Russian heavy trucks manufactured in central Russia by Uralaz will be placed on the Brazilian market. "This truck is appropriate for 50 percent of the Brazilian territory," said businessman Zemir Teixeira, owner of Uralaz Distributor and Equipment in Sao Jose dos Pinhais, near Curitiba, and partner of the Russian Uralaz company. Teixeira also plans to install an assembly line of the Ural-Zan Rambo trucks in Brazil. The first shipment of 360 trucks is already in the port of Saint Petersburg, ready for transport to the port of Paranagua. Teixeira invested $36 million on the first shipment and expects to increase his imports to 400 to 500 vehicles per month. Teixeira says that he contacted the Russian company to establish a partnership for the railway project between Rio Branco and Moliendo, Peru, which his company, Transzan, is building. (Sao Paulo AGENCIA ESTADO in Portuguese 1851 GMT 25 Oct 95)

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Chile

Labor Leaders Leave for Havana To Study Health System

PY2710213395 Santiago EL MERCURIO in Spanish 21 Oct 95 p C10

[Report by Otilia Huerta from Calama]

[FBIS Translated Text] Leaders of the second and third trade unions of the Chuquicamata mining concern have traveled to Havana, Cuba, at the invitation of the Confluir Institute, which is part of the Cuban health system. The labor leaders will tour several hospitals and clinics in Cuba, a leading country in this area, and will have a chance to lay the foundation for a future health agreement. The travelers were: Duncan Araya Vega, chairman of the Third Chuquicamata Trade Union; Alexeis Escobar Leal, of the same union; Jeremias Olivares Osorio, of the Second Chuquicamata Trade Union; and Hernan Polanco Nieto, a member of the Chuquicamata's Roy H. Glover Hospital health committe.

Drug Enforcement Law Goes Into Effect

PY2710213595 Santiago LA TERCERA DE LA HORA in Spanish 19 Oct 95 p 14

[FBIS Translated Text] The State Defense Council (CDE) will be able to "request copies of documents on current accounts, deposits, and other confidential operations" of people who are being investigated under the "drug enforcement law."

This provision is set forth in Article 16, paragraph D, of Law 19366 on the illegal drug trade. The official gazette published the refined, coordinated, and systematized text of this law on 18 October.

Through this law, the CDE is empowered to investigate in depth the crime known as "money laundering" because banks and financial corporations are compelled to quickly supply whatever background information the CDE may request.

The law punishes those who engage in "money laundering" with minimum to medium sentences within the scope of severe prison terms. This category includes all those people who, knowing full well that certain assets or money have been obtained through any of the crimes listed in the law, "participate in, cooperate for, or benefit from the disposal or use of said assets or funds."

The 59 articles of the new law also provide for minimum to medium sentences within the scope of severe prison terms for those who manufacture drugs. Article 1 states that owners of equipment "commonly used" to manufacture such substances will be presumed to have participated in this crime.

Doctors, dentists, midwives, or veterinarians who prescribe drugs without any therapeutical reason will also be punished. The owners of movie theaters, restaurants, and dancing halls who commonly allow drug trafficking and consumption on their premises will also be punished. In their case, the punishment will be minimum to maximum sentences within the scope of light prison terms.

The law also provides that criminal lawsuits for the abovementioned crimes "can only be filed by the CDE following the appropriate preliminary investigation."

The CDE will be open to reports and information from any source, but it will need the vote of two-thirds of its members before it can file a lawsuit.

The CDE may also prevent individuals suspected of involvement in the deeds under investigation from leaving the country for 60 days, provided it obtains a court warrant to that effect.

PDC Senators Submit New Human Rights Draft Law

PY2710161595 Santiago EL MERCURIO in Spanish 14 Oct 95 p C4

[FBIS Translated Text] Valparaiso — Senators Jose Ruiz de Giorgio and Mariano Ruiz-Esquide of the Christian Democratic Party [PDC] have formulated a new human rights draft law. Their proposal fully incorporates a document entitled "Proposal for Peace and Reconciliation in Chile" that was issued by the Group of Relatives of Missing Detainees.

The PDC senators said it would be completely fair to discuss their proposal together with others drafted by other groups.

The proposal was referred to the Senate Constitution, Legislation, Justice, and Regulation Committee, which has already endorsed the idea of debating two draft laws on human rights submitted earlier (one proposed by the government; the other by right-wing senators).

A few days ago, the committee received two other alternative proposals submitted by Senators Miguel Otero (RN) [National Renewal Party] and Hernan Larrain (UDI) [Independent Democratic Union].

Although the PDC senators' proposal will be automatically included in the agenda for the special session, the administration will have to request that it be treated on an urgent basis so that the committee may include it in its agenda, just as it did in the case of the right-wing proposal.

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This is unlikely to happen because the PDC proposal seeks to prevent the 1978 Amnesty Law from protecting the perpetrators of offenses that could be regarded as "crimes against mankind" (the cases of missing detainees, which the other two proposals seek to expedite and to close as soon as possible).

The PDC proposal states that the 1978 Amnesty Law would not be applicable to the perpetrators, accomplices, or accessories of offenses described as "crimes against mankind" under International Law conventions of which Chile is a signatory.

Included among these offenses are kidnapping and illegal arrest with subsequent disappearance or death of the victim; homicide in any of its forms; and the death of a victim resulting from the use of unnecessary force by personnel of the Armed Forces, security organizations, or civilians working for or incorporated to the armed services who may have taken actions on behalf of the state in any way or who may have taken criminal actions from a government post.

The proposal states, among other things, that cases of missing detainees and politicians killed during the period covered by the Amnesty Law, the appellate courts will have to appoint one or more judges to hear all pending cases on human rights violations (more than 542 processes).

To this end, the proposal states that those cases being heard in military courts, including those dismissed under the provisions of the 1978 Amnesty Law, will have to be sent to the appellate courts within 15 days of the promulgation of the new law.

Finally, the two PDC senators propose that a reduced sentence be given to those who may supply reliable information about the fate of a victim; the circumstances surrounding the disappearance or death of a victim; and the identities of perpetrators, accomplices or accessories. If the person supplying the information is the perpetrator of the crime, the sentence may be reduced by up to one degree; if he is an accomplice, he may be have his sentence reduced by up to two degrees; and if he is an accessory, he may be granted a full pardon.

Ruiz-Esquide and Ruiz De Giorgio said they are submitting this proposal in light of the other two proposals (known as "drafts") by right-wing groups concerning reconciliation in Chile, namely regarding the treatment in cases of missing detainees and other human rights violations from 11 September 1973 to March 1978. They said: "It would be only fair if our proposal were discussed along with the others."

New Constitutional Amendment Proposal Submitted to Congress

PY2810024395 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 27 Oct 95

[FBIS Translated Text] The administration today submitted to Congress a new draft proposal for constitutional reforms. The package combines the executive branch proposal with those proposed by the so-called liberals and by National Renewal.

The government today formally announced this proposal at La Moneda Palace. The new proposal includes new amendments on probity, upgrading this principle to the constitutional level; vacancy of the presidency, which will require a call for general elections; reorganization of the Senate, by which all senators must be elected by direct vote; oversight, strengthening the work of the Chamber of Deputies; international treaties, namely, those referring to border conflicts, which must be submitted for consideration by the Senate; expeditiousness of legislative procedures, which establishes one single legislation: a constitutional court establishing a mechanism to renew its members; and a National Security Council, which eliminates voting on [words indistinct] in cases which might represent an attack on the institutional system or national security.

[Begin recording of Vice President Carlos Figueroa] We are not talking here about any agreement. We are talking about collecting ideas and opinions on this matter, and, I would also say, collecting the views and thoughts of an important public sector, saying that this is the time to attain a great constitutional agreement on the matter. [end recording]

Senator Sebastian Pinera, one of the promoters of these reforms, said that this new proposal encompasses almost all proposals made by the so-called liberal sector, and by National Renewal.

[Begin Pinera recording] I would say that this new proposal is better than the previous one because it enhances it without changing its content, and, in addition, it includes essential matters. [end recording]

He added that in this vein, the general consultation the National Renewal will conduct in Temuco will ultimately end up approving the government initiative.

Foreign Minister 'in Favor of' Relations With Bolivia

PY2710213495 Santiago EL MERCURIO in Spanish 21 Oct 95 p C7

[FBIS Translated Excerpt] Commenting on recent remarks of Bolivian President Gonzalo Sanchez de

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Lozada, Chilean Foreign Minister Jose Miguel Insulza stated on 20 October that Chile is prepared to resume diplomatic ties with Bolivia.

According to news agency reports, the Bolivian president mentioned the issue at the Nonaligned Summit in Cartagena de Indias, Colombia. [passage omitted]

Asked about the Bolivian president's remarks about reestablishing diplomatic ties with Chile, Minister Insulza said that the proposal is "wonderful."

He said: "We have always been in favor of reestablishing relations. Now we should make it happen."

Insulza explained that he will discuss the issue with his Bolivian counterpart in New York, where they will meet within the framework of the 50th anniversary of the United Nations.

"I will talk it over with the Bolivian foreign minister, who is now in the United States, to see what exactly was said. We are, however, absolutely well disposed toward establishing stable and formal relations with Bolivia, and I have always said this," Insulza said.

Sanchez de Lozada went to the 11th Summit of Nonaligned Countries in Colombia, which was attended by 113 heads of state and government. According to news agency reports, the Bolivian president said: "We should have diplomatic relations that would allow us to discuss things, make progress, but so far the prevailing atmosphere does not assure us that relations will not be severed again in the future, no matter how distant it may be." [passage omitted]

Editorial Calls For Unilateral Free Trade Measures

PY2710213795 Santiago EL MERCURIO in Spanish 26 Oct 95 p A3

[Editorial: "The Postponement of NAFTA"]

[FBIS Translated Text] The latest reports indicate that the current U.S. Congress will not approve the fast track to negotiate a free trade agreement with Chile. In the best of cases, it will have to be proposed again after the next U.S. elections. The possible outcome of these elections is that President Clinton will be reelected but the Republican majority in Congress will increase. If that were to be the case, the current balance of power will be maintained and the current obstacles will remain. Thus, Chile's admission to the NAFTA could be delayed indefinitely.

This situation is frustrating and harmful. Frustrating because the hopes of joining the NAFTA very soon have been thwarted, and harmful because the policy of unilaterally lowering custom tariffs had been put on hold. Until 1991 Chile had been decisively removing customs barriers without tying this to any international negotiations. Since then the country chose the path of bilateral agreements and mistakenly believed that keeping the existing custom tariffs would strengthen Chile's negotiating position. Time has shown that the freeze was not successful, so it should be revised.

In addition to analyzing the causes and consequences of the outcome, actions to further national interests should be undertaken. First, Chile should implement domestic measures to broaden free trade through the reduction of customs tariffs. The strategy to gain admission into the NAFTA should also be revised. Thus, in addition to strengthening ties with Canada and Mexico — as is already happening — to use their influence, an effective program should be prepared to deal more effectively with the U.S. Congress. The disagreements between Republicans and Democrats are obviously a stumbling block that goes beyond trade policy because it has to do with differences between political priorities, and particularly the upcoming electoral campaign. Although Chile's plan to join the NAFTA was successful as far as the Clinton administration was concerned, it did not obtain the necessary support in Congress: No senators are known to have expressed their support, and whatever support was gleaned among the representatives was ineffective because of partisan differences.

We must also take steps internally to improve the competitiveness of our exporters. Free trade is a global tendency; it does not rely on bilateral agreements alone. Thus, producers will have to deal with the consequences of foreign competition. Lastly, we should improve operational aspects that could expedite trade with Canada, Mexico, and the United States. The Finance Ministry is right in tying substantial negotiations to the approval of the fast track, and in pursuing agreements on secondary issues.

The consequences of uncertainty about the agreement with NAFTA indicate that it is advisable to broaden free trade through unilateral actions, and to continue the quest for bilateral agreements with the United States, by stepping up the efforts to promote Chilean interests in the U.S. Congress and by reaching complementary agreements.

EU Official Views Partnership With European Bloc

PY2810020795 Santiago EL MERCURIO in Spanish 19 Oct 95 p C2

[FBIS Translated Text] The Chilean partnership with the EU will be implemented through an intricate process that, in its first stage, provides for the participation of Chile only in the institutional structure that will channel the political dialogue between the EU and

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Mercosur [Common Market of the South], which will be formalized on 15 December in Madrid.

The process will then continue through the negotiation of a commercial-economic agreement that might be ready in the first half of 1996 and that, to a considerable extent, will also rely on Chilean ties with Mercosur.

The idea — from the economic-commercial viewpoint — is to use the so-called corridor [pasarelas] system: that is, to open connections and bridges between the actual situation and the aspirations that both Chile and Mercosur have concerning their relations with the EU.

Says European Commission Vice President Manuel Marin: "This exercise of corridors between Mercosur and Chile will set the limits for Chilean participation in the Southern Cone structure. Since we also have an agreement with Mercosur, a solution must be found in order to build firm, stable relations."

He explained that efforts will be made to make individual progress with Chile in the areas in which it is possible, such as services and telecommunications, in which Chile has no problem and in which Mercosur has not yet been able to negotiate.

This mechanism was proposed by the European Commission to Chilean officials during a meeting in Bariloche, during the Fifth Ibero-American Summit of Heads of State and Government.

The proposal was presented to President Eduardo Frei during a meeting that was attended by Spanish President Felipe Gonzalez — the acting EU president — Spanish Foreign Minister Javier Solana, and Manuel Marin.

On 18 October, Marin reported on the talks he held in Bariloche and in Santiago with Chilean officials, noting that Chile welcomed the proposal.

Marin paid a brief visit to Chile while the EU was giving the final touches to the guidelines for negotiations with our country. The new agreement that will emerge from these contacts will mark the model, system, and content of Chilean relations with the EU in the 21st century.

Marin noted that the meetings with Chilean Government officials were important for clarification of some essential aspects of the new relations. He added that it was possible to find the unknowns that will resolve the Chilean situation, considering Chile's own particular features and its aspirations to have an individual treatment within the scheme that the EU is building to approach Latin America, specifically the Mercosur.

Political Dialogue

Marin said the situation is a true puzzle in which it is necessary not only to accomodate the EU-Mercosur and EU-Chile blocs, but also to consider the particular case of our country, which wants to form a partnership with the EU, to have an agreement with Mercosur, and also to join the North American Free Trade Agreement (NAFTA).

"We believe we found a solution for the specific situation of Chile," Marin remarked.

He went on to say that "in principle, we made an offer to the Chilean Government to participate, from Madrid's European Council, in everything having to do with cooperation and with the political dialogue between the EU and Mercosur. The Chilean Government gave a positive response. Chile is even likely to attend — along with the four Mercosur presidents — the solemn ceremony during which the agreement will be signed on 15 December in Madrid."

Commercial Proposal

The economic and commercial part is the most difficult to resolve. In this area, the commission offered Chile a system that Marin referred to as "original, wise, and appropriate," and that in EU jargon is known as the method of "corridors."

The methods calls for signing a treaty to design a method for organizing and establishing connections and bridges between Mercosur and Chile, after finding a way in which both Mercosur and Chile can jointly participate in an institutional dialogue with the EU.

Marin believes the meeting on 7 December will be a key factor. At this meeting — which is a topic that has strengthened the EU proposal — Chile and Mercosur will try to reach an economic supplementation agreement.

Says he: "The guidelines for negotiations with Chile will provide for several corridors from Chile to Mercosur, from Mercosur to Chile, and from the two of them to the EU. Each party will use such corridors to suit its own interests, at the appropriate time and with the possibility of expanding or narrowing them, in line with the evolution of negotiations."

Marin added that if this proposal is satisfactory to Chile — even if this country makes some observations — the European Comission might be able to conclude the guidelines for negotiations with Chile in the first or second week of November, so that they can be approved by the Council of Ministers on 4 December.

If this timetable is fulfilled, it will be possible for Chile to attend the Madrid summit with the Mercosur presidents and the 15 EU presidents and heads of state, for signing the agreement at the Royal Palace.

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Colombia

Article Questions Clinton's Order Freezing Local Assets

PA2710234495 Santa Fe de Bogota EL TIEMPO in Spanish 26 Oct 95 p 4A

[Article by Enrique Santos Calderon: "The Satanization of Colombia"]

[FBIS Translated Text] The position Clinton took on the drug problem cannot be considered an accolade to Colombia. Let us not be so naive.

His allusion at the United Nations to the bilateral cooperation on this issue was initially interpreted as support for the efforts the Samper government is making to counteract drug trafficking. However, the executive order Clinton signed that same day freezing the assets and bank accounts of 33 Colombian companies linked to the Cali Cartel sends another message.

It is a fact that has serious and profound implications for the country. To begin with, Clinton warned that the drug trafficking "quartered in Colombia" triggers such a phenomenon of corruption and violence in his country, it constitutes "an unusual and uncommon threat to the national security, foreign policies, and economy of the United States" to the extent of declaring a national emergency to confront this threat and issuing the aforementioned executive order.

It is almost nothing. The stability of the world's largest power is in jeopardy due to an illicit activity that originates in Colombia, which is the only country that Washington mentions when it refers to international drug trafficking. Therefore, we are dealing with a problem that has a surname and a nationality.

So what about the famous "globalization" of the fight against drug trafficking? What about the "world war" against drugs declared by Clinton himself? And what about Samper's calls for international cooperation?

It is therefore a position that is quite unfair and simplistic. It is only understood within the preelectoral context that the United States is starting to live. It is the unequivocal announcement that drugs will become a basic issue in the presidential campaign and that drugs have a name: Colombia.

We have to simplify things for the gringos, and every electoral campaign must have easily identifiable foreign enemies, which are symbols of the evil and danger looming from abroad over the American way of life [previous four words in English]. These enemies bind together and awaken fears and passions; they can be blamed for domestic woes, and they must allow the large power to prove its ability to go anywhere to beat those who threaten it.

In Reagan times, the defunct Soviet Union was the "large evil empire." Under Carter times, it was the Ayatollah Khomeyni. Bush had in Saddam Husayn an effective symbol of what his country had to hate and fight. Everything indicates now that the Colombia of drug trafficking must embody the necessary enemy for the electoral times.

In fact, Washington has implemented such an executive order as the one Clinton signed only in such countries as Iran, Libya, and Iraq. This does not mean that Samper is going to be compared to Saddam; it does mean, however, that Colombia will become even more notorious and that our country will be identified as being mainly responsible for the drug problem the United States is suffering.

The individualization of Colombia as the culprit and the main source of this ailment is even more arbitrary, as we know that the other face of the disbanding of Colombia's large coca cartels is the emergence of powerful drug trafficking organizations in Mexico, Peru, and Bolivia.

The void the Medellin and Cali cartels left has been quickly filled by the cartels of these countries, which no longer depend on Colombia. Only 20 days ago—this is only an example—three metric tons of the purest cocaine that was going to be shipped to Mexico were seized in La Paz. This is an unprecedented amount in Bolivia, an amount that confirms the scope drug trafficking already has in that country and its direct connections to Mexican cartels. This phenomenon is even more evident in Peru, not to mention Mexico, where the cartels are on their way to acquiring a power comparable to the one our cartels wielded.

Then, as the growing internationalization and diversification of drug trafficking are more notorious by the day, the fact that Washington points to—satanizes [satanizal, some people say—Colombia in this manner is incongruous. It simply does not correspond to reality and to the existing complexity of the phenomenon, nor does it show an adequate strategy to combat it. This attitude could, after all, emanate from Washington's other internal political needs.

Clinton's executive order is a quite worrisome measure, and we do not know where it may lead. It explicitly mentions 33 companies and approximately 50 individuals linked to the Cali Cartel; it is seeking to beat legal drug trafficking companies economically.

However, what will happen when Washington decides that drug trafficking has infiltrated the Colombian econ-

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omy? Will we then have a commercial embargo or an overall economic boycott against the country? The likely implications of Clinton's directive are truly disturbing.

Of course, the country is not helped by the fact of having a president questioned over the drug trafficking infiltration in his campaign; it only contributes to facilitating the stigmatization of Colombia. All the merits Samper makes will be insufficient to erase that stigma, which the United States will be in charge of keeping alive, because it is useful to keep a constant and stronger pressure. The United States knows that Samper will have to accept the pressure without saying a word.

Editorial Views President Clinton's Speech at UN

PA2810043795 Santa Fe de Bogota EL TIEMPO in Spanish 26 Oct 95 p A4

[Editorial: "Echoes From the United Nations"]

[FBIS Translated Text] The meeting to commemorate the 50th anniversary of the UN Charter closed in New York after a true bout of delegates' speeches. This commemoration was held in everyone's understanding that the United Nations needs to be restructured so the organization's framework can meet the new challenges and general guidelines as well as settle its internal administrative, organizational, and budgetary affairs.

This special summit became an exceptional forum of a very high level in which an impressive list of the world's leaders paraded. Unfortunately, a degree of consensus and commitment desirable to redefine objectives for the organization and to overcome the causes of its weakening was not reached, particularly regarding its financial situation and the multimillion debt accumulated from overdue accounts.

This summit, as on very few instances in the past, was especially important for Colombia.

In his opening speech, U.S. President Bill Clinton made an especially strong appeal to fight each of the links in the drug trafficking chain. Thereafter, U.S. authorities proceeded to freeze the accounts of enterprises and individuals linked to the Cali Cartel.

This speech elicited contradictory reactions in our country. On one hand, the fact that Clinton himself called, even in his own name, the international community to fight international drug trafficking organizations has been regarded as a victory. In this regard, it is possible to think the old Colombian aspiration to make the fight against drug trafficking multilateral and widespread has come about. This position is opposed by Clinton's specific call, however, for international actions to strike at the drug mafias' operating structure.

As Juan Tokatlian said correctly, Clinton clearly described the spirit of punishment that will inspire U.S. foreign policy regarding drug trafficking, which Washington identifies as an attempt against both national and international policies. Apparently, a stick, rather than a carrot, can be expected from that side, all the more so considering that the struggle against Colombia-originated drugs will unavoidably become an electoral issue in the United States.

Clinton's tone confirms the prevailing impression that Washington is convinced victories in the struggle against the Cali Cartel are due in good measure to the U.S. Government's cooperation.

Because of this, Colombia and the government of President Samper should brace themselves, calmly and properly, not only for continued pressure for success in the fight against drug trafficking but for increased pressure also.

Such circumstances undoubtedly present the most complex challenge for President Samper's policy. In addition to keep showing new and successful results in this no-holds-barred fight against drugs, for the Colombian people's good Samper must show a large dose of wisdom and coherence to keep Colombian-U.S. relations from deteriorating.

Samper Interviewed on Venezuelan Ties, 'Process 8000'

PA2910224795 Santa Fe de Bogota Inravision Television Canal A Networks in Spanish 1800 GMT 29 Oct 95

[The "Cripton Newscast"]

[FBIS Translated Text] President Ernesto Samper granted a lengthy interview to journalists Ivan Dario Parra and Edgar Moreno. We will broadcast segments of this interesting document throughout this newscast.

The president referred to the state of Colombia's relations with Venezuela as a result of border problems.

[Begin recording] [Parra] Mr. President, what is the real situation with Venezuela?

[Samper] The people think that our border relations with Venezuela cover only the Gulf, but when two countries have very lengthy borders, which are barely limited in some territories, it is obvious that there may occur situations of unrest, misreadings, and confusion, as the ones we have endured in recent months.

In this type of situation it is important to maintain a dialogue always open and to show respect for the truth, regardless of consequences. [end recording]

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Let us listen to another segment of the interview with president Ernesto Samper. The subject is his government in the face of Process 8000.

[Begin recording] [Moreno] Facing problems as delicate as Process 8000 and the narcocassettes, have you had time to govern, Mr. President?

[Samper] Yes. The truth is that if there is something about which I feel satisfied is that none of these issues has kept me from being on top of the entire government agenda. The most important is that the process has functioned without producing an institutional crisis.

[Moreno] If the Chamber of Representatives—the Accusations Commission—decides to file away the preliminary investigations against you, what would happen?

[Samper] As I see it, this would be the most logical decision. I think this would be good news for the country.

[Moreno] What did you think about the speech Bill Clinton delivered in front of 180 presidents at the United Nations last week?

[Samper] That speech was satisfactory because Colombia has been feeling very much alone in this struggle. [end recording]

Let us listen to another segment of the exclusive interview President Ernesto Samper granted us. He discusses the conspiracy against his government and his friends' loyalty.

[Moreno] Mr. President, much has been said about a conspiracy against you and your government.

[Samper] I don't know if there is a conspiracy or not. What I have seen is that at a given moment there was one, and fortunately for the country it is passing away. There was some sort of convergence of different situations and this was expressed on some occasions in a violent way.

[Parra] Has this crisis served to let you know who are your true friends and who your good-times-only friends?

[Samper] It has served to let me know more about human nature, to see how some old friends behave in moments of crisis, some supporting me and others moving away. This is how life is. [end recording]

President Samper told us about his spirit.

[Begin recording] [Moreno] are you physically worn out?

[Samper] You can see me. [laughs] No, I do not think so. On the contrary, I have been trying to take care of myself physically. I spend weekends with my children. This is relaxing. I also play tennis and walk a lot. I exercise and read. [end recording]

Developments in Border Dispute With Venezuela Viewed

Foreign Troop Presence 'Unacceptable'

PA2710181095 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1505 GMT 27 Oct 95

[Report by Gilbert Vega; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] President Ernesto Samper Pizano has just warned that for the Colombian Government, the unauthorized presence of foreign troops in our country is unacceptable. He stated this in view of the incidents in the Perija mountain range in recent days, when Venezuelan National Guard members killed peasant Julio Paternina and illegally detained six other peasants. This is what Colombian President Samper Pizano said:

[Begin Samper recording] Aside from the results that the ongoing investigation might produce, I want to clearly state that for the Colombian Government the unauthorized presence of troops from other countries in our territory is unacceptable from any point of view, as must also be the case for the Venezuelan Government with regard to the possible presence of Colombian troops in its territory. [end recording]

The president said that for the relations between our two countries, the best thing is to have total clarification of the incidents, that the corresponding responsibilities be assumed, and appropriate consequences be derived from these incidents. He stated this at the ceremony marking the 42d anniversary of the DAS [Administrative Department of Security].

Valledupar Forum on Border Problem

PA2610152495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 26 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The defense minister, Prosecutor General Alfonso Valdivieso, and other ranking state officials visited Valledupar as part of the security commission, which looked into border problems. The minister got excited by the newsmen's questions. Here is our correspondent Sergio Lopez Gomez.

[Gomez] The forum on justice held today in Valledupar served to analyze topics of violence, kidnappings, and especially the border situation in which the defense

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minister finally accepted there had been abuses and outrages by the Venezuelan Army. In any event, the minister said, the protests and handling of the same are the competence of the Foreign Ministry and it is handling things prudently. However, the defense minister responded angrily to questions posed by local newsmen, who said the Colombian Government lacked character in view of the aggressions by the Venezuelan authorities.

[Begin Defense Minister Juan Carlos Esguerra recording] The only thing I want to say, and I state so emphatically Miss, so that it will be clear, is that I don't tell lies. [end recording]

[Gomez] Meanwhile, the creation of two public order prosecutor's offices in the department's southern region, as well as the formation of a GAULA [not further identified] group that will fight kidnapping and impunity in this strife-stricken region were announced.

At the end of this new security council meeting—held under another name—the only thing left was the usual expectations and the uncertainty on whether solutions will be found someday.

Government Position 'Hardened'

PA2810193195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 28 Oct 95

[Interview with Foreign Minister Rodrigo Pardo Garcia-Pena, from an undisclosed location, by anchorpersons Hernan Castrillon and Adriana Escobar, at the Inravision Television studio in Santa Fe de Bogota on 28 October; from the "Cripton Newscast" newscast—live relay]

[FBIS Translated Text] [Castrillon] The Colombian Government has hardened its position with regard to Venezuela in the last few hours. Yesterday, President Ernesto Samper stated that the incursions of the Venezuelan National Guard into Colombian territory are unacceptable. To learn the government actions in the face of the border problem, we have established contact, via microwave, with Foreign Minister Rodrigo Pardo Garcia-Pena. Good afternoon, Mr. Minister.

[Pardo Garcia-Pena] Good afternoon.

[Castrillon] Mr. Foreign Minister, how will Colombia react in the face of the abuses by the Venezuelan soldiers?

[Pardo Garcia-Pena] Well, we are about to conclude the investigation to determine what was the extent of these abuses. We have the initial evidence but tomorrow, Sunday, the deputy foreign ministers of the two countries will travel to the Colombian side of the border to determine exactly what happened. We want, in agreement with Venezuela, to arrive at a text or diagnosis on what happened. This will allow us to determine the responsibilities, if any, and the sanctions established in the framework of international law and the agreements between the two countries

[Escobar] How is the investigation for the murder of peasant Patermina at the Colombia-Venezuela border?

[Pardo Garcia-Pena] Well, the truth is that this investigation is facing some additional difficulties. It has been established that Patermina's killing was very brutal. There are traces of grenade, bullets, and torture and mutilation against this citizen. But it is very difficult to determine—we have not established as yet—who may have killed this peasant. Some ballistic tests that are being practiced at this time have yet to be concluded.

[Escobar] We thank Foreign Minister Rodrigo Pardo Garcia-Pena very much.

Commissions Review Border Incidents

PA3010032095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 29 Oct 95

[From the "Cripton Newscast"]

[FBIS Translated Text] The Venezuelan and Colombian commissions that are reviewing the latest border incidents are currently meeting at the Perija Mountain Range. Here in Santa Fe de Bogota, the Venezuelan ambassador broke his silence.

Surprisingly, the Venezuelan ambassador to Colombia, Abdon Vivas Teran, recognized for the first time that Venezuelan troops staged incursions in Colombia to arrest peasants, thereby violating the border line.

[Begin Vivas recording] Perhaps a better coordination between both armed forces would have avoided this situation. A mistake was made with the coordinates, which caused some of our patrol commanders to mistakenly carry out maneuvers in Colombian territory. [end recording]

The verification commissions of Venezuela and Colombia traveled to the area of Manaure, Cesar Department very early to inspect the area and go over the events as they occurred. Colombia is asking the Venezuelan Government for an explanation of the arrest of five peasants, the torture and subsequent murder of Julio Paternina, and the killing of animals and the destruction of various homes.

[Begin Deputy Colombian Foreign Minister Dario Cardona recording] An investigation within the National

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Guard must be conducted and as for the damages, it is a matter that should be worked on later and it will depend on the legal advisories of both foreign ministries. [end recording]

The commissions will turn in the results of their investigations next week.

Senator Urges Popular Consultation on Samper's Position

PA2710231395 Santa Fe de Bogota EL TIEMPO in Spanish 26 Oct 95 p 10A

[FBIS Translated Excerpt] [Passage omitted] Liberal Party Senator for Narino Parmenio Cuellar yesterday made known a 10-page letter he sent to the president. In that letter Senator Cuellar proposes holding a popular consultation so that Colombians can decide the president's permanence or not in his post.

The central point of Cuellar's proposal is based on the argument that Congress is not the body suited for certifying that the president holds his post legitimately, because legality is one thing and legitimacy, another.

Cuellar stated: "The Investigations and Accusation Commission of the Chamber of Representatives is conducting, with regard to President Samper, a process that will not put an end to the problem, because it is necessary to resort to the polls to recover legitimacy once it is lost."

The congressman's motion was backed by Representative Alberto Tellez. After commenting on the negative effects that corruption, impunity, social unbalance, drug trafficking and violence, among other things, have brought to the country, Cuellar proposed ways of creating a "national pact" to guarantee the functioning of the branches of the state.

Vice President Favors Prosecutor General Staying in Post

PA2810010595 Santa Fe de Bogota EL TIEMPO in Spanish 26 Oct 95 p A10

[FBIS Translated Text] The letter Vice President Humberto de la Calle has sent President Ernesto Samper requesting a specific government position in favor of Prosecutor General Alfonso Valdivieso staying in his post produced political commotion yesterday.

The letter deals with the decision to be adopted soon by the State Council on the term of the prosecutor general, which is to expire in March. As de la Calle sees it, it is fundamental that the government clearly establish its position in favor of the prosecutor general remaining in the post.

Government sources have interpreted the letter in various ways, but there was no official answer as of yesterday.

One of the thesis is that legally speaking, the prosecutor general's term expires in March, and if Valdivieso has to go, the president, who is facing charges of illegal campaign financing, would have to send to the Supreme Court of Justice a proposal listing three nominees from which the court would select the new prosecutor general.

Another thesis is that regardless of interpretations about the expiring of the prosecutor general's term, the government cannot interfere with a plainly judicial decision.

The State Council as well as the Constitutional Court will state their opinion on the term of the prosecutor general.

A liberal senator who has asked not to be identified has said the vice president "wants Valdivieso to be his prosecutor general but not his competitor in a possible electoral contest."

This senator added: "He cannot speak about something that is in the hands of the justice system, because the State Council will state its position on the permanence or not of Valdivieso in the post, and it is inappropriate for someone of his stature to exert undue pressure."

Conservative Senator Enrique Gomez Hurtado has said: "My impression of de la Calle's letter is that it is, implicitly, an accusation. I believe he is saying something is going on, and he wants to keep that from happening. He is telling Samper not to play that game. What moved him to write that letter? That issue is not clear with me, but it must have been something."

Gomez is one of the members of the group "The Decent Ones" [Los Decentes], which has exerted strong pressure on the government of President Samper.

A conservative who cooperates with the government, Fabio Valencia Cossio, has said: "As a Colombian I would like to see the prosecutor general remain in his important position, but because this is a legal state, and there are preestablished norms, we must await the State Council's decision, and, obviously, we must all respect its decision. When a decision is lawful, the law may be contrary to Colombians' wishes."

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Military Hospital Doctors Remove Serpa's Kidney Stone

PA2910144795 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 29 Oct 95

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Interior Minister Horacio Serpa Uribe will return to his duties next week after doctors of the Military Hospital removed a kidney stone through laser surgery. Uribe suffered a severe affliction while participating in a special forum in Magangue, forcing him to be immediately transferred to the Cartagena Naval Hospital. He was later transferred to the Military Hospital, where he was finally treated.

Ecuador

Effects From Worsening of Energy Crisis Viewed

Duran-Ballen Suspends European Tour

PY2810030795 Madrid EFE in Spanish 0115 GMT 28 Oct 95

[FBIS Translated Text] Quito, 25 Oct (EFE)—It was reported today that Ecuadoran President Sixto Duran-Ballen has suspended the trip he was to have made to Belgium and Italy on 2 November due to the worsening of the energy crisis battering Ecuador.

Another domestic problem, namely; the political and judicial crisis that recently resulted in the resignation of former Vice President Alberto Dahik—who later fled the country—had obliged Duran-Ballen to cancel his trip to Colombia and Argentina to attend the Summit of Nonaligned Countries and the Ibero-American Summit of Heads of State and Government, respectively.

Jose Maldonado, industry and commerce minister, and Agriculture Minister Mariano Gonzalez will replace the head of state on the tour of the two European countries, which is to conclude on 9 November.

Spokesmen from the Carondelet presidential palace have announced that Gustavo Ortega, the newly appointed Ecuadoran ambassador to Belgium, will accompany the two ministers of state.

Duran-Ballen is personally searching for alternatives for the installation of equipment to enable the generation of thermoelectric power, since a severe drought has been ravaging the southern region of Ecuador for more than three months, affecting the operation of the hydropower plant located there, which in normal times meets between 60 and 70 percent of the country's demand for electricity.

The industry and agriculture ministers will in the forthcoming days confirm whether their tour will include France and Spain to negotiate agreements on special tariffs that the EU grants to Andean Group countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela).

In France and Spain, the ministers could eventually broach the issue of the quota system imposed by the EU on imports of bananas.

Industrialists Demand Speedy Solution

PY2810023895 Quito Voz de Los Andes in Spanish 2300 GMT 27 Oct 95

[FBIS Translated Text] Ecuadoran industrialists and representatives from the banking sector have threatened the government with staging vigorous protests unless it comes up with a plan—within 72 hours—to solve the serious energy crisis confronting the country. The chairman of the Guayaquil Chamber of Commerce, Ruiz Trujillo, has stated: If, in the near future, the government does not put forward a coherent, reasonable, and intelligent proposal for handling this crisis we will unfortunately have to demand a solution to this problem—even if we have to resort to the use of force. Trujillo reported that the Association of Private Banks, the Association of Electrical Engineers of Ecuador, and the Guayaquil City Council are fed up with this crisis and with enduring the grave irresponsibility evinced by the public utility authorities. Trujillo was of the opinion that Ecuadoreans should go out on the streets to protest against what is happening. He said: We cannot let them destroy our country, as they are doing at present.

Vice President: Economic Situation 'Truly Disastrous'

PY2710232895 Madrid EFE in Spanish 1907 GMT 27 Oct 95

[FBIS Translated Text] Quito, 27 Oct (EFE)—After a meeting with the members of the so-called Cabinet Social Front, Ecuadoran Vice President Eduardo Pena today asserted that the situation in his country is "truly disastrous in the economic field."

The vice president, who assumed this post last week, stated that "it is regrettable that the country is suffering a great shortage in the economic field."

Pena attributed this situation to "this year's developments": the war against Peru early this year, the energy crisis with restrictions of up to eight hours per day in the power supply throughout the country for the past three months, and the political crisis.

Pena particularly referred to "all the political uncertainty we have experienced during these past months, that is

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now also affecting the Treasury." The key protagonist of the aforementioned crisis was former Vice President Alberto Dahik, charged with alleged corruption. On 11 October Dahik fled to Costa Rica.

Regarding his first meeting with the ministers of the Social Front, Pena said that their main complaint concerned "the shortage of resources to cover this year's allocations."

Therefore, he said, the main issue will be "to pay what is pending" and, above all, to pay "the salaries of the public servants."

Following the escape from the country by the former vice president, regarded as the architect of the government's economic program, President Sixto Duran-Ballen affirmed that all his ministers and posts of the economic area (energy, finance, commerce, and economic organs) will be maintained in order to guarantee the continuity of that program.

Market Upset by Possible Devaluation, Monetary Adjustment

PY2810025895 Quito Voz de Los Andes in Spanish 2300 GMT 27 Oct 95

[FBIS Translated Text] A possible devaluation of the sucre and change in the Ecuadoran monetary policy today prompted the financial markets to react nervously when the inter-bank interest rate increased by almost three-fold and the dollar exchange rate reached a record amount.

The dollar exchange rate closed at 2,713 sucres to the dollar for the first time in the past few months, above the 2,600-sucre ceiling of the exchange rate band established by the Central Bank.

Also, for the first time, the Central Bank decided not to resort to its reserves to maintain the dollar exchange rate, but rather intervened in the sucre market by increasing the inter-bank interest rates to make the purchase of dollars less attractive.

The Ecuadoran financial markets today closed very restless in view of the economic agents' fears of a devaluation of the sucre. The market was desperate in view of a possible variation of the exchange rate, which caused the dollar to soar above the ceiling of the exchange band, according to a banker who chose to remain anonymous.

The dollar exchange rate closed today with a significant increase of 24 sucres, some $0.89, over the ceiling of the exchange band, the highest so far this year, that is, 2,700 sucres per dollar.

Operators were confused by the sudden increase, one that had not been registered even during the border conflict with Peru, when monetary authorities were forced to make a 3-percent adjustment to the exchange band.

Armed Forces Support Democracy, Refrain From Intervening

PY2810023095 Quito Voz de Los Andes in Spanish 2300 GMT 27 Oct 95

[FBIS Translated Text] The Ecuadoran Armed Forces have disclosed that some sectors of the country are requesting their intervention to overcome the serious political crisis in which the country has been steeped for more than three months. There were those who made their voices heard demanding the intervention of the Armed Forces. Nevertheless, Lieutenant General Fernando Martinez, the Air Force commander, stated that the Armed Forces have paid no heed to these requests because they deem that their mission is to support democratic institutions. The Air Force commander made these remarks during a speech at a ceremony marking the 75th anniversary of the Air Force Academy. Lt. Gen. Martinez further stated that the Armed Forces believe that democracy has its institutions to conduct an investigation into this affair and, if necessary, to resolutely extirpate the cancer of corruption. He added that the Armed Forces are determined to support those institutions in the discharge of their duties, thus proving that that they are neither insensitive to nor unaware of this problem nor inclined to encroach upon other branches of government in the search for a solution to it. Reports from Costa Rica indicated that Ecuadoran Armed Forces had threatened to stage a coup d'etat if President Sixto Duran-Ballen insisted on keeping [former Vice President Alberto] Dahik in his position. Not long ago, Costa Rican Vice Foreign Minister Rodrigo Carrera reported that the Ecuadoran Armed Forces began to exercise greater pressure when the Ecuadoran Congress was unable to muster the necessary number of votes to remove Dahik from office during the impeachment procedures.

Peru

Fujimori Announces Brady Plan Entry, Notes Advantages

PY2810025795 Lima America Television Network in Spanish 0100 GMT 28 Oct 95

[FBIS Translated Text] A few minutes ago, President Alberto Fujimori announced that as of today, Peru will benefit from the Brady Plan. This entails a significant reduction, by 45 percent, of our debt as well as the cancellation of 40 percent of interests paid on the debt.

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The head of state made this announcement during the end of a meeting of businessmen and government authorities organized by the magazine THE ECONOMIST.

[Begin recording] [Fujimori] Today we have ended negotiations within the framework of the Brady Plan. As a result of these negotiations, the debt Peru had contracted with the international private banking sector will be handled under favorable terms. What do these negotiations entail? In the first place, a 45-percent reduction of the principal of the debt assumed by Peru, and a substantial reduction of the interest accumulated on this principal.

The capital that Peru owes the international banking sector amounts to $4.4 billion, in addition to which the interest, amounting to thousands of millions of dollars, must be considered. The Brady Plan entails a reduction of the principal and of the interest. The remaining debt is paid back over a long term, and can also be repurchased. This is important because, in the first place, in practice, we will reduce the total amount of our debt. In the second place, Peru fully rejoins the international financial community. Now we enjoy better credit terms.

[Unidentified reporter] And in terms of growth, Mr. President?

[Fujimori] It gives us a chance of gaining access to capital for some needs, favorable loans, but what is really important is that with the Brady Plan, we can reach favorable agreements with the IMF and, through the IMF, hold negotiations with the Paris Club. [end recording]

Fujimori Says Armed Forces Ready for Peace or War

PY2810024695 Lima EXPRESO in Spanish 9 Oct 95 p A2

[FBIS Translated Excerpt] President Alberto Fujimori yesterday lauded the high professionalism of the Peruvian Armed Forces. He added that in the last few years, they have shown themselves to be ready for times of war and also for times of peace.

Fujimori said this during a speech he delivered at Grau Square in Callao on the occasion of Navy Day and on the 116th anniversary of the death of Peruvian hero Miguel Grau in the Battle of Angamos.

Regarding the border conflict with Ecuador, Fujimori said that the Armed Forces have effectively responded to "emergency situations." He also stressed the important role that the Peruivan Navy has played in the national pacification and development processes.

Honoring Grau, Fujimori urged his countrymen to work for the development and national solidarity all Peruvians aspire to achieve.

He said: "Peruvians today must be loyal to the Peru of Grau, a country that was never morally defeated or humiliated."

Moreover, Navy Commander Alfredo Arnaiz Ambrossiani reasserted the Navy's subordination, loyalty, and obedience to the president. [passage omitted]

In his speech, Fujimori said that the Armed Forces are properly equipped because of the proper administration of the state.

He said: "Peru is a peaceful country, but our defense is a responsibility we can never overlook. The maintenance and modernization of military equipment and the cost entailed by war cannot be met with a bank account in the red, but rather must be confronted with a solid bank account."

He said that good bank accounts are achieved through a patriotic and responsible management of the economy. [passage omitted]

Executive Branch Promulgates Electoral Law

PY2710223495 Lima EL COMERCIO in Spanish 5 Oct 95 p A5

[FBIS Translated Text] Through publication in the official gazette, the executive branch on 4 October promulgated the new Electoral Law, which bears No. 26533. The law rules the operation of the National Election Board [JNE]; sets the guidelines for preparation and implementation of the electoral system budget; and, albeit ambiguously, settles the jurisdictional disputes between the JNE, the National Electoral Process Office, and the National Identification and Civil Status Registry.

Article four of this law was subject to intense debate. Politicians and jurists noted that its ambiguous text can give rise to more than one interpretation.

JNE President Ricardo Nugent himself said he had confidence in the president's lucid mind, because in his opinion, the president should make some observations to the law.

Yesterday, however, Nugent courteously declined to make any comments on the promulgation of the law.

The law sets forth that the JNE must settle "in final and definitive form, the appeals against the resolutions by the National Electoral Process Office, and by the National Identification and Civil Status Registry, but only in electoral matters, referendums, or another type of consultation with people."

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Constitutional Tribunal or Supreme Court

Article four, about which objections have been raised, sets forth that "jurisdictional disputes between any organization and the JNE will be settled in keeping with Article 202, paragraph 3 of the Constitution, and—temporarily—in keeping with Article 6 and with the second temporary provision of Law No. 26486." That is, the matter will be submitted to the Constitutional Tribunal or the Supreme Court.

However, Article 20 states: "The resolutions issued by the JNE on the basis of its own constitutional supervisory power and of this law shall be complied with by electoral system organs."

The law, which has 20 articles and six temporary provisions, will govern the municipal elections on 12 November.

Supreme Court Head on Modernizing Judicial System

PY2710222995 Lima EXPRESO in Spanish 12 Oct 95 p A2

[FBIS Translated Excerpt] Supreme Court President Moises Pantoja Rodulfo disagrees with the official government version according to which the modernization process is not advancing within the judicial branch. As is well known, the strike by judicial branch employees demanding salary increases in compliance with the judicial branch organizational law has deteriorated. Nevertheless, it seems that the executive branch refuses to authorize the judicial branch to resort to its own revenues for this purpose because it does not perceive that the judicial branch is willing to change.

In remarks to EXPRESO, Pantoja said: "We are aware that the fiscal situation does not allow a salary increase. But it is not true that we are unwilling to change or that there has been no progress. What happens is that there are those who pretend to be saviors who spread rumors. We drafted a fairly good plan last year. It is on this basis that we have already implemented the informatics and decentralization programs and also expedited the handling of legal cases. Nevertheless, the problems affecting the judicial branch cannot be resolved overnight, much less without resources." [passage omitted]

Minister: IMF Ties 'Good,' World Bank Ties 'Optimal'

PY2710223195 Lima EL COMERCIO in Spanish 9 Oct 95 p E1

[By special correspondent Fernando MacKee Tueros]

[FBIS Translated Excerpt] Washington—Jorge Camet, the economy and finance minister, denied that there is a problem with the disbursement of credits signed with the World Bank (such as the loans for financial institutions or for privatizations). He added that Peruvian ties with the World Bank are at an optimal level.

He said: "What happens is that some loans are handled more expeditiously than others. This is perhaps the reason for delays in the disbursements. That is all."

Camet, who attended the 50th Annual IMF and World Bank Conference, stressed the importance of Peru's attendance at this event.

Commenting on the extent of the Peruvian representation at this conference, Camet told EL COMERCIO: "International organizations have mentioned Peru as an example."

After stating that ties with the IMF are good, Camet said that the missions the IMF has conducted in Peru have established that there is a sound handling of the Peruvian economy.

Regarding the exchange rate, and the fact that the goals established in this regard in the letter of intent have not been met, Camet said that these are not really goals but rather estimates, and nothing more. [passage omitted]

Uruguay

Army Commander in Chief Confirms $3-Million UN Debt

PY2710105195 Madrid EFE in Spanish 0024 GMT 26 Oct 95

[FBIS Translated Text] Montevideo, 25 Oct (EFE)—Lieutenant General Juan Curutchet, the Uruguayan Army commander in chief, has confirmed to journalists that the United Nations owes more than $3 million in per diem payments to the Uruguayan soldiers who are part of the UN peace forces.

Curutchet explained that the debt "cannot be blamed on UN ill will, but on the arrears in the payment of installments by UN member countries."

Curutchet noted that "the UN organization has real financial troubles."

Curutchet said the debt is growing day by day and raises a difficult problem for the families of officers, NCO's, and soldiers.

The Uruguayan commander explained that, "for the time being, we are coping with the problem," and payments are being made by "redirecting the Army's operational funds."

Curutchet emphasized: "Of course, this procedure cannot go on for a long time, but we are doing our utmost

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to maintain the continuity of the peace missions that we are assigned."

Curutchet reported: "The participation of the Uruguayan Armed Forces in peace missions has involved 10 conflicts in various countries of the world, over four continents."

During the ceremonies celebrated in Montevideo yesterday to mark the 50th UN anniversary, Defense Minister Raul Iturria noted that Uruguay has the largest number of military personnel per inhabitant engaged in UN peace missions.

During a news conference, Curutchet emphasized: "The Uruguayan Armed Forces groups that are participating in UN peace missions are playing a leading role that is very important."

Curutchet added: "Uruguay has achieved, through these missions, an international presence that serves to support Uruguayan diplomatic and trade actions."

Nevertheless, Curutchet noted that Uruguay is not in a position to accept more UN-sponsored missions because approximately 200 officers and 800 soldiers are currently outside our country, and it is necessary to bear in mind the training of the required reliefs that are being implemented every six months.

In addition to the groups committed to the United Nations, Uruguay is also participating with an 80-men transportation group in a peace force in Sinai that was established within the framework of the Camp David accords signed among the United States, Israel, and Egypt.

Venezuela

President Holds News Conference on Return From U.S.

PA3010012295 Caracas Venezolana de Television Network in Spanish 2018 GMT 29 Oct 95

[News conference held by President Rafael Caldera with unidentified moderator and Venezuelan reporters at La Casona Presidential Residence in Caracas upon his return from the United States—live]

[FBIS Translated Text] [Moderator] Good afternoon, dear friends of the media, welcome to this news conference held by the president of the Republic on the occasion of his arrival in the country. Here with you now is President Rafael Caldera.

[Caldera] May you receive a cordial greeting upon my return to Venezuela following a week of absence. It was a week that was prolonged for one more weekend for reasons Venezuelans will be able to understand.

I am bringing from abroad a renewed faith in the destiny of Venezuela. I know the situation we have gone through has not yet been definitely overcome, but the road is open, the possibilities are greater, and when one comes into contact with people from abroad, one finds there is understanding for Venezuela's possibilities. There is a willingness to invest and there is a goodwill to cooperate with our country in the solution of the economic situation we have had to face.

The reason for my trip was the celebration of the 50th anniversary of the United Nations. There were many social events including the individual participation of each one of the 185 heads of state or representatives of the heads of state. It was a five-minute speech in a long list of speakers, but the personal relations and the relations created with heads of state of all continents to reaffirm Venezuela's conscience and its willingness to work for a just peace with social justice, was undoubtedly an invaluable opportunity.

On the occasion of my trip to the United States, I received an invitation from the John F. Kennedy Library, which was founded in the memory of that illustrious U.S. president. There, I met with people linked to the various sectors interested in Venezuela. They were interested in our possibilities. They were interested in Orimulsion, as an increasingly reliable source of clean and cheap energy. They were interested in Venezuela's participation in the hemisphere's energy solidarity. They were interested in our problems and were anxious to open up roads for all the possibilities opened by our generous land to those who truly want to work and make progress. I, therefore, come with the firm decision to carry out our plans and our programs in which we will undoubtedly face many misunderstandings and the magnification of situations, in which my government is always blamed for the economic difficulties we have had. When we explain to any observer of any country of the world about the magnitude of the crisis in our banking system, which Venezuela had to face, when we explain to them about the huge efforts we had to make to prevent nearly 3.5 million savings account holders from becoming poverty-stricken, they admire the fact that we have avoided that catastrophe less than two years into my government.

That is why I trust the work we are doing will be increasingly appreciated by our people. My opponents say I guide myself by surveys. I want to say the following: Well done and well-interpreted surveys are necessary documents for the interpretation of social life. They are not the ones that guide the government, however, and if we must make decisions and the surveys show a different inclination, the decision will be made if it is just, patriotic, and beneficial for the country.

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I am also aware that my government team is working with patriotism and good faith. We have formed a government team that does not have a political label, that is not based on pacts, but that has been formed bearing in mind the personal qualities and conditions of each one of the members of the government team.

I also want to ratify my confidence in my collaborators in the government and my decision and willingness to firmly carry out with great commitment and deep love for Venezuela the difficult duty we have had to carry out to open up a clear road for the future.

I am willing to answer any of your questions.

[Moderator] Representing the national media, Carlos Subero from EL UNIVERSAL.

[Subero] Good afternoon, Mr. President. In my hands I have a document that was widely distributed during your successful 1993 electoral campaign, which is called: My Letter of Intent With the People of Venezuela. This was the name given to a summary of your government program. In one of your meetings during your trip to the United States, you made reference to talks that are being held with the IMF, which is the organization in charge of drafting the letters of intent. I would like to know if this is an implicit recognition that during your first year in government, the economic policy you implemented was not the best. Are you resorting to the IMF for conviction or because it is an obligation of the political circumstances?

[Caldera] I invite all of those who have that pamphlet—many Venezuelans must have it because it was widely distributed—not to only read the front cover but to read it and examine it carefully so they can see that despite the unexpected circumstances we have faced in our government, we are following the guidelines set forth in our letter of intent. We never said that we would not talk to the international organizations. On the contrary, we said we would hold a dialogue with the international financial organizations in a framework of dignity and respect, in which we would reaffirm our country's sovereignty and carry out our plans and satisfy our needs.

[Moderator] Representing the national television stations, Santiago Gutierrez, of channel four.

[Gutierrez] Good afternoon, and welcome back to Venezuela, Mr. President.

[Caldera] Thank you.

[Gutierrez] Mr. President. I believe that most Venezuelans are aware of the importance of the trip you just ended today with your arrival to our country because of its current a future connotations. At the same time, however, we are also aware of the current situation with our sister nation Colombia. Following the arrest of the so-called amapoleros [poppy plant growers], a new concept so to say, the Colombian Government instructed the Armed Forces to try to prevent to the extent possible the incursion of Venezuelan troops or any other groups in that area. Would you not say that this is worrisome, considering that this area has been invaded by guerrillas, kidnappers, and so forth, and that Colombia has not been effective in guarding the border?

[Caldera] I sincerely believe in the Colombian Government's good faith to handle within a framework of discretion and mutual understanding the problems that inevitably will emerge and have emerged throughout history between two countries having more than 2,000 km of common border that have not been properly delimited yet. I believe in that good faith, and for the same reason I fail to understand why some people in Colombia would magnify scandals that some sectors—perhaps some in good faith and others with political motivations—are trying to promote with regard to incidents at the Venezuelan border. First of all, as I said before, the border is not totally defined yet. Venezuela has repeatedly insisted in what is known as densification of the landmarks, in other words, shortening the distance between the landmarks so that any authority can seriously and easily determine where the sovereignty of each country ends.

President Samper said Venezuelan troops entering Colombian territory is unacceptable. I say it is unacceptable for the Colombian State not to be present in those places where we Venezuelans are target of attack by irregular groups that are trying to break all the rules and links and are serving a cause we are committed to fight together: drug trafficking. Venezuela has no problem whatsoever in thoroughly clarifying those incidents. We fail to understand why versions that are given credibility in our neighbor country are the ones given by the irregular groups and criminals themselves who carry out their criminal actions and then try to return to their country saying that they were attacked in Colombian territory by Venezuelan forces.

The relationship between the Venezuelan defense minister and the defense minister and commander of the Colombian Armed Forces is constant and fluid. Each incident is immediately reported. We keep them informed, and we are committed to the task of destroying poppy plants, the raw material used to produce heroin. Is this is a crime? I do not think so. I believe it is part of our cooperation with Colombia in its dramatic struggle against drug trafficking when we destroy those plantations and when we judge before our courts in accordance with the state of law the persons who are responsible for that

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production. By the same token, we would like to see the authorities on the other side of the border adopting the same measures and showing the same interest. Those who are engaged in that criminal activity at the common border should not be seen as heroes or martyrs. Our countries must understand each other, must work together, and must always conduct our relations in good faith.

[Moderator] In representation of the regional media, Rafael Jimenez Moreno, of Panorama.

[Jimenez] Good afternoon, president; welcome back to the Republic.

[Caldera] Thank you.

[Jimenez] First, I would like you to inform us, with the sincerity that has always characterized you, when does the government plan to sign a letter of intent with the IMF? And taking advantage of your kindness, I also want you to tell us whether after signing this letter of intent you plan to introduce some changes within the ministries that deal with economic and political issues? Thank you very much.

[Caldera] There is neither an established date nor talks about a letter of intent. There are talks, there are negotiations because the truth is that the line established by Agenda Venezuela is basically as the one that the IMF requires in order to support Venezuela. The difference is the speed. We are determined to reduce the fiscal deficit. Now, how fast will we achieve this? And to what extent will we apply this immediately? We should deal with this while ensuring that the possible negative effects on the poor are kept to a minimum because there will always be negative effects.

The same applies to the establishment of the free exchange rate scheme [regimen de libertad cambiaria]. We are committed to it and they want us to be so. Now, the speed, the rhythm, and the way in which we will accomplish this is a matter of discussion in the talks. This is basically, we could say, what is going on between us and this organization. I must note that the first high level talks took place not when I went knocking on IMF doors in Washington, because I have not been there even once during my administration, but they took place when the IMF director general visited me in my Miami hotel room during the hemispheric summit summoned by President Clinton. He admitted that the measures adopted by the Venezuelan Government were indispensable, regardless of the consequences, because the situation that faced Venezuela would have led to a horrible catastrophe if the government had not tackled it in the way it did and had the people not been willing to recognize the goodwill and good faith of the government actions.

[Moderator] This is the penultimate question. In representation of the international agencies, Bartolome Jones of AP.

[Jones] Good afternoon.

[Caldera] Good afternoon.

[Jones] Mr. President, you said in your famous speech after the 4 February coup that it is difficult to ask the people to make sacrifices [que se inmole] for liberty and democracy when they think that liberty and democracy will not by them food. Today, three years later, there is more poverty, hunger, crime, and unemployment. Why do you think that Venezuelans will continue supporting democracy under such circumstances? Thank you.

[Caldera] You are referring to my 4 February 1992 speech. In it I stated that it was regrettable that there had been an armed irruption against constitutional order. I said that I was profoundly concerned, and that everyone should also be concerned, because the people did not come out to defend democracy firmly and determinedly as they had on previous occasions when there were attempts against democratic order. I pointed out that the reason could have been that a hungry people cannot be asked to make the sacrifice of defending the institutions if they do not see an intention to meet their needs.

I must firmly reject your statement, which has been frequently repeated by international news agencies, that there is more hunger, misery, poverty, and crime. Statistics must be reviewed. We are willing to make a serious analysis and to recognize favorable and adverse factors. I am not asking the Venezuelan people to go out and fight, to make sacrifices; I want the Venezuelan people to recognize that it is through a democratic system...[pauses] that there is an honest and patriotic government working to defend them; we want them to have faith in and trust the government that has made the needs and anguish of the people its main priority, as I noted in my brief speech at the 50th anniversary of the United Nations.

[Moderator] Finally, representing the national radio stations, Nacarit Useche of Radio Caracas Radio.

[Useche] Good afternoon, Mr. President.

[Caldera] Good afternoon.

[Useche] For more than a year now we have been subject to exchange controls. You said this would help maintain international reserves and prevent a flight of capital. A few days ago it was announced that the dollars for tourists would be placed at the same level as the

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Brady Bonds. This seems to imply that this measure was not effective and that international reserves are still low. You have mentioned new talks with the IMF and you have also said that those adjustments will also mean more sacrifice for the people. Can the executive branch guarantee us that one year from now the situation will not be the same or worse and that the adjustments recommended by the IMF will not only be good for one aspect: continuing with the payment of our foreign debt? Thank you.

[Caldera] The exchange controls have not failed. Their immediate results which have continued for a year have been preserving and increasing the country's international reserves. What has happened in the past few months has been the application, perhaps too liberally of the exchange controls. It was established that there should be no priorities in granting foreign exchange, many were given foreign exchange indiscriminately, and many of those who received foreign exchange used speculative stratagems that have been harmful for the country.

Evidently, one of the effects of the exchange controls that we recognize is that they opened the possibility for unacceptable speculation. We all know in Venezuela that many people have taken advantage of the exchange controls to purchase currency at a fixed exchange rate the government has defended, maintained, and sustained for the benefit of the community, to try to negotiate with them outside the legal framework. That system must open the path for a free exchange system. We have always said, and it was stated in my letter of intent for the Venezuelan people that we did not want exchange controls. We always said they would be temporary.

In order to accomplish the transfer from the current controlled system to a free exchange system, we will inevitably need the support of international financial institutions. The guarantees we offer are our lives, our desire to serve, our determination. Those who do not believe in Venezuela, in the honesty of our actions in conducting the country, in our determination to make any sacrifices that are necessary, and share those sacrifices, unfortunately are not helping us. If there is good will in the international community to help Venezuela, to exploit our own wealth and invest in our country, we Venezuelans must tell them that they are right, that Venezuela what they believe: an extraordinary country for investments. This, of course, is a matter of public conscience, which I definitely appeal to on this occasion.

[Moderator] Thank you. The news conference is over.

President Denies Troops Killed Colombian Peasant

PA2710214095 Caracas EL UNIVERSAL in Spanish 26 Oct 95 p 1-12

[FBIS Translated Text] New York—President Rafael Caldera categorically denied that Venezuelan troops tortured and killed a Colombian peasant, pointing out that "this is not the way the Venezuelan Armed Forces act."

Those who were arrested committed a crime in Venezuela; they were detained in Venezuelan territory for growing poppies, which are the raw material for heroin, and they were turned over to a judge, in the presence of prosecutors and with notification of the Colombian authorities, the president said at Venezuela's permanent mission in the United Nations.

Caldera stressed that Venezuela is not interested in violating human rights, indicating it is painful that some spokesmen of Colombian public opinion use any situation of confusion in the border to create an absurd climate of antagonism.

That is why the defense ministers of the two countries are in constant communication. What happens many times is that the Venezuelan Armed Forces act and there is no physical presence of the Colombian authorities on the other side, so we have to notify them and provide them the facts and the files. We are not interested in hiding anything. I am the first one interested in punishing any violation of human rights, the president said.

The president explained that, of the five detained individuals, one man was released, a criminal court has issued warrants for the arrest of the other two adults, and two minors have been turned over to a special judge. "They are in Venezuelan territory, they committed a crime in Venezuelan territory, and they are subject to judicial proceedings in Venezuela," he said.

I do not see what interest anyone in Colombia can have in trying to protect those who are planting the raw material for the production of drugs and contributing to the crime of drug trafficking.

Caldera met with Colombian President Ernesto Samper in New York. They both agreed in terming as absurd the attempts to magnify incidents that necessarily occur on a vast border that is not well delimited and nearly uninhabited. "In some locations where the presence of the Colombian state does not exist, there might be confusion over a borderline that has not been drawn on the ground. For example, there was a television antenna, and it was not known on which territory it was located. Later it was said it was on the Colombian side, 50 meters

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from Venezuela. It is very difficult to pinpoint such a small site in that very vast border," he stressed.

President Caldera reiterated several times that the Colombians who were arrested had been growing poppies and that "in line with our position, we arrested them and turned them over to the judges."

He added that at the same time and in order for Colombia to take the appropriate measures, Colombia was informed that the Venezuelan Armed Forces were able to confirm that the fields extend far into Colombian territory. "We suppose that they have no interest in maintaining or protecting those crops."

Deputy Foreign Minister on Arrest of Colombian Farmers

PA2710031195 Caracas EL NACIONAL in Spanish 24 Oct 95 p A-2

[Report by Gioconda Soto]

[FBIS Translated Text] Yesterday, Deputy Foreign Minister Milos Alcalay admitted publicly that the arrest of five Colombian peasants by Venezuelan military authorities on 8 and 9 October "could have taken place on either side of the border." In addition, he stressed the fact that the Colombians arrested were poppy growers and urged the Colombian Government to join the Venezuelan Government in condemning the production and traffic of drugs.

Alcalay made this statement at the Yellow House following a ceremony commemorating the legacies of Manuel Perez Guerrero and Juan Pablo Perez Alfonzo.

"Our actions must cover from one extreme of the country to the other, and to this effect, we agree with Colombia that we must target all criminal actions taking place on the two sides of the border," Alcalay remarked. He also said that he hopes that with the joint actions by the Colombian and Venezuelan military forces, "all those who engage in illegal activities will be captured and should there be any irregularities or abuses, they will be resolved."

According to the diplomat, what is essential is that we are dealing with poppy growers on Venezuelan soil, and recalled the statement—published by this newspaper—made by Jimmy Molina Mercado, one of the Colombian citizens allegedly kidnapped, who admitted voluntarily that he worked—along with other fellow countrymen—in Venezuela.

The deputy foreign minister said that as of tomorrow, he will be meeting with Diego Cardona, his Colombian counterpart, within the framework of the second meeting of the political consultation mechanism set up between Caracas and Bogota. Alcalay added that in this meeting they will discuss all problems on the bilateral agenda, in addition to this case and the problem of stolen vehicles.

Alcalay refused to make any statement on the answer Venezuela would give if Colombia presents a complaint against Venezuela for violating its sovereignty and the human rights of Colombian nationals arguing that these are speculations.

The absence of Foreign Minister [Rodrigo] Pardo might explain why such a complaint has not been filed yet. According to reliable sources, Pardo is in New York and the complaint will be presented upon the diplomat's return to Bogota.

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